PLATINUM GROUP METALS LTD

FORM 40-F
(Annual Report (foreign private issuer))

Filed 12/02/08 for the Period Ending 11/28/08

Telephone	6048995450
CIK	0001095052
Symbol	PLG
SIC Code	1040 - Gold And Silver Ores
Industry	Metal Mining
Sector	Basic Materials
Fiscal Year	08/31

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40-F

Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934
or
Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended August 31, 2008 Commission File Number 001-33562

Platinum Group Metals Ltd.
(Exact name of registrant as specified in its charter)

British Columbia	**1099**	**Not Applicable**
(Province or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code)	(I.R.S. Employer Identification No.)

Bentall Tower 5
Suite 328 - 550 Burrard Street
Vancouver, BC
Canada V6C 2B5
(604) 899-5450
(Address and telephone number of registrant's principal executive offices)

DL Services Inc.
U.S. Bank Centre, 1420 5 th Avenue, Suite 3400
Seattle, WA 98101-4010
(206) 903-8800
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of Each Class:	Name of Each Exchange On Which Registered:
Common Shares, no par value	**American Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this form:

Annual Information Form Audited Annual Financial Statements

At **August 31, 2008** , the Registrant had outstanding 62,649,247 common shares without par value.

Indicate by check mark whether the Registrant by filing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). If "Yes" is marked, indicate the filing number assigned to the Registrant in connection with such Rule. Yes No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

DOCUMENTS INCORPORATED BY REFERENCE

The annual information form ("AIF") of Platinum Group Metals Ltd. (the "Registrant" or the "Company") for the fiscal year ended August 31, 2008 is incorporated herein by reference.

The audited consolidated financial statements of the Company for the years ended August 31, 2008, 2007 and 2006 including the report of the auditors with respect thereto, are incorporated herein by reference. For a reconciliation of important differences between Canadian and United States generally accepted accounting principles, see Note 14 to the Company's audited consolidated financial statements.

The Company's management's discussion and analysis ("MD&A") for the year ended August 31, 2008 is incorporated herein by reference.

EXPLANATORY NOTE

The Company is a Canadian issuer eligible to file its annual report pursuant to Section 13 of the Exchange Act on Form 40-F. The Company is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act. Accordingly, the Company's equity securities are exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3.

The Company is permitted, under a multi-jurisdictional disclosure system adopted by the United States, to prepare this annual report on Form 40-F in accordance with Canadian disclosure requirements, which are different from those of the United States.

The Company prepares its financial statements in accordance with Canadian generally accepted accounting practices ("GAAP"), and they may be subject to Canadian auditing and auditor independence standards. Accordingly, the financial statements of the Company incorporated by reference in this report may not be comparable to financial statements of United States companies. Significant differences between Canadian GAAP and United States GAAP are described in Note 14 to the audited consolidated financial statements of the Company incorporated by reference in this report.

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements concerning anticipated developments in the operations of the Company in future periods, planned exploration and development activities, the adequacy of the Company's financial resources and other events or conditions that may occur in the future. Forward-looking statements are frequently, but not always, identified by words such as "expects," "anticipates," "believes," "intends," "estimates," "potential," "possible" and similar expressions, or statements that events, conditions or results "will," "may," "could" or "should" occur or be achieved. Information concerning the interpretation of drill results and mineral resource or reserve estimates also may be deemed to be forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those described in the AIF incorporated by reference in this report.

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made and the Company assumes no obligation to update such forward-looking statements in the future. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

DISCLOSURE CONTROLS AND PROCEDURES

The information provided under the heading "Disclosure Controls and Internal Control Over Financial Reporting" contained in the Company's MD&A is incorporated by reference herein.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The information provided under the heading "Disclosure Controls and Internal Control Over Financial Reporting" contained in the Company's MD&A is incorporated by reference herein.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

The information provided under the heading “Disclosure Controls and Internal Control Over Financial Reporting” contained in the Company’s MD&A is incorporated by reference herein.

AUDIT COMMITTEE FINANCIAL EXPERT

The information provided under the heading “Directors and Officers – Audit Committee” contained in the Company’s AIF is incorporated by reference herein.

INDEPENDENT ACCOUNTANTS’ FEES

The information provided under the headings “Directors and Officers – Independent Auditor’s Fees” and “Directors and Officers – Pre-Approval Policies and Procedures” contained in the Company’s AIF is incorporated by reference herein.

CODE OF ETHICS

The information provided under the heading “Directors and Officers - Code of Ethics” contained in the Company’s AIF is incorporated by reference herein.

OFF-BALANCE SHEET ARRANGEMENTS

The information provided “Discussion of Operations and Financial Conditions – Off-Balance Sheet Arrangements” contained in the Company’s MD&A is incorporated by reference herein.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The information provided under the heading “Liquidity and Capital Resources” contained in the Company’s MD&A is incorporated by reference herein.

IDENTIFICATION OF THE AUDIT COMMITTEE

The information provided under the heading “Directors and Officers – Audit Committee Composition and Background” contained in the Company’s AIF is incorporated by reference herein. The Company has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended.

UNDERTAKINGS

The Company undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or to transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Company has previously filed with the Commission a written consent to service of process and power of attorney on Form F-X. Any change to the name or address of the Company’s agent for service shall be communicated promptly to the Commission by amendment to the Form F-X referring the file number of the Company.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

PLATINUM GROUP METALS LTD.

/s/ R. Michael Jones
R. Michael Jones
President, Chief Executive Officer and Director

Date: December 1, 2008

EXHIBIT INDEX

The following documents are being filed with the Commission as exhibits to this amended annual report on Form 40-F.

Exhibit	Description
1.	Annual Information Form
2.	Audited Consolidated Financial Statements for the years ended August 31, 2008, 2007 and 2006, including the report of the auditors with respect thereto
3.	Management's Discussion and Analysis for the year ended August 31, 2008
4.	Certification of Chief Executive Officer as Required by Rule 13a-14(a) under the Exchange Act
5.	Certification of Chief Financial Officer as Required by Rule 13a-14(a) under the Exchange Act
6.	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
7.	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
8.	Consent of PricewaterhouseCoopers LLP
9.	Consent of Deloitte & Touche LLP
10.	Consent of Coffey Mining (South Africa) (Pty) Ltd.
11.	Consent of Minxcon (Pty) Ltd.
12.	Consent of Turnberry Projects (Pty) Ltd.
13.	Consent of Wardrop Engineering Inc.

Annual Information Form of Platinum Group Metals Ltd.
For year ended: August 31, 2008

Annual Information Form – December 1, 2008

Documents Incorporated by Reference

Incorporated by reference into this Annual Information Form ("AIF") are the Consolidated Financial Statements of Platinum Group Metals Ltd. for the year ended August 31, 2008 as filed on December 1, 2008.

All financial information in this Annual Information Form is prepared in accordance with generally accepted accounting principles in Canada.

Date of Information

All information in this Annual Information Form is as of August 31, 2008 unless otherwise indicated.

Currency and Exchange Rates

All dollar amounts in this Annual Information Form are expressed in Canadian dollars unless otherwise indicated. Platinum Group Metals Ltd. accounts are maintained in Canadian dollars. All references to "U.S. dollars" or to "US$" are to U.S. dollars. All references to "ZAR" or to "R" or to "Rand" are to South African Rand.

The following table sets forth the rate of exchange for the Canadian dollar expressed in United States dollars in effect at the end of the periods indicated, the average of exchange rates in effect on the last day of each month during such periods, and the high and low exchange rates during such periods based on the noon rate of exchange as reported by the Bank of Canada for conversion of Canadian dollars into United States dollars.

Canadian Dollars to U.S. Dollars	Year Ended August 31		
	2008	2007	2006
Rate at end of period	US$0.9411	US$0.9466	US$0.9037
Average rate for period	US$0.9961	US$0.8921	US$0.8711
High for period	US$1.0905	US$0.9641	US$0.9099
Low for period	US$0.9365	US$0.8437	US$0.8361

The noon rate of exchange on November 28, 2008 as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was Canadian $1.00 equals US$0.81.

The following table sets forth the rate of exchange for the South African Rand, expressed in Canadian dollars in effect at the end of the periods indicated, the average of exchange rates in effect on the last day of each month during such periods, and the high and low exchange rates during such periods based on the noon rate of exchange as reported by the Bank of Canada for conversion of South African Rand into Canadian dollars.

South African Rand to Canadian Dollars	Year Ended August 31		
	2008	2007	2006
Rate at end of period	$0.1380	$ 0.1474	$ 0.1537
Average rate for period	$0.1367	$ 0.1546	$ 0.1755
High for period	$0.1222	$ 0.1422	$ 0.1512
Low for period	$0.1514	$ 0.1692	$ 0.1945

The noon rate of exchange on November 28, 2008 as reported by the Bank of Canada for the conversion of South African Rand into Canadian dollars was one South African Rand equals Canadian $0.1225.

Metric Equivalents

For ease of reference, the following factors for converting Imperial measurements into metric equivalents are provided:

To convert from Imperial	To metric	Multiply by
Acres	Hectares	0.404686
Feet	Metres	0.30480
Miles	Kilometres	1.609344
Tons	Tonnes	0.907185
Ounces (troy)/ton	Grams/Tonne	34.2857

Terms used and not defined in this Annual Information Form that are defined in National Instrument 51-102 Continuous Disclosure Obligations shall bear that definition. Other definitions are set out in National Instrument 14-101 Definitions, as amended.

Forward Looking Statements

The information contained within this AIF is based on a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of the fiscal year ended August 31, 2008, unless stated otherwise. Except for statements of historical fact, the information contained herein constitutes forward looking statements within the meaning of Canadian and U.S. securities laws. Forward-looking statements are frequently, but not always, identified by words such as "expects," "anticipates," "believes," "intends," "estimates," "potential," "possible" and similar expressions, or statements that events, conditions or results "will," "may," "could" or "should" occur or be achieved. Information concerning the interpretation of drill results and mineral resource or reserve estimates also may be deemed to be forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those described in this AIF under the heading "Risk Factors."

Forward looking statements are based on the opinions, plans and estimates of management at the date the statements are the Company undertakes no obligation to update forward looking statements if circumstances or management's estimates, plans or opinions should change. The reader is cautioned not to place undue reliance on forward looking statements.

Cautionary Note to United States Readers – Differences Regarding the Definitions of Resource and Reserve Estimates in the United States and Canada

Mineral Reserve

The definitions of "mineral reserves", "proven mineral reserves" and "probable mineral reserves," as used in this report, are Canadian mining terms as defined in accordance with *National Instrument 43-101 - Standards of Disclosure for Mineral Projects* under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resources and Mineral Reserves Definitions and guidelines adopted by the CIM Council on August 20, 2000. CIM standards differ from the standards in the United States.

Under United States standards, a "mineral reserve" is defined as a part of a mineral deposit which could be economically and legally extracted or produced at the time the mineral reserve determination is made, where:

> "reserve" means that part of a mineral deposit which can be economically and legally extracted or produced at the time of the reserve determination;
>
> "economically" implies that profitable extraction or production has been established or analytically demonstrated to be viable and justifiable under reasonable investment and market assumptions; and
>
> while "legally" does not imply that all permits needed for mining and processing have been obtained or that other legal issues have been completely resolved, for a reserve to exist, there should be a reasonable certainty based on applicable laws and regulations that issuance of permits or resolution of legal issues can be accomplished in a timely manner.

Mineral reserves are categorized as follows on the basis of the degree of confidence in the estimate of the quantity and grade of the deposit.

Under United States standards, proven or measured reserves are defined as reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes, grade and/or quality are computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geographic character is so well defined that size, shape, depth and mineral content of reserves are well established.

Under United States standards, probable reserves are defined as reserves for which quantity and grade and/or quality are computed from information similar to that of proven reserves (under United States standards), but the sites for inspection, sampling, and measurement are further apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven mineral reserves, is high enough to assume continuity between points of observation.

Mineral Resource

While the terms "mineral resource," "measured mineral resource," "indicated mineral resource," and "inferred mineral resource" are recognized and required by Canadian regulations, they are not defined terms under standards in the United States. As such, information contained in this report concerning descriptions of mineralization and resources under Canadian standards may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the United States Securities and Exchange Commission ("SEC"). "Indicated mineral resource" and "inferred mineral resource" have a great amount of uncertainty as to their existence and a great uncertainty as to their economic and legal feasibility. It can not be assumed that all or any part of an "indicated mineral resource" or "inferred mineral resource" will ever be upgraded to a higher category. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.

Corporate Structure

Platinum Group Metals Ltd. head office is located at:

328 – 550 Burrard Street
Vancouver, British Columbia
Canada, V6C 2B5

The Company's registered office is located at:

Gowling Lafleur Henderson LLP
2300 - 550 Burrard Street
Vancouver, British Columbia
Canada, V6C 2B5

Platinum Group Metals Ltd. ("Platinum Group" or the "Company") is a British Columbia corporation incorporated on February 18, 2002 by an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation. The Company was later transitioned on February 22, 2005 under the *Business Corporations Act* (British Columbia). On February 22, 2005, the Company's shareholders passed a special resolution to amend the authorized share capital from 1,000,000,000 common shares without par value to an unlimited number of common shares without par value, to remove the Pre-existing Company Provisions and to adopt new articles.

The Company has two wholly-owned subsidiaries which are incorporated under the company laws of The Republic of South Africa. The Company conducts all of its South African exploration and development work though its wholly-owned direct subsidiary, Platinum Group Metals (RSA) (Pty) Limited ("PTM") . PTM holds 100% of the shares of a newly formed property holding company named Wesplats Holding (Pty) Ltd. ("Wesplats"). The registered and records office of PTM and Wesplats are located at 4 th Floor, Aloe Grove, 196 Louis Botha Avenue, Houghton Estate, Johannesburg, 2000, Gauteng Province, Republic of South Africa. The principal business address of the Company is Suite 328, 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5. The principal business address of PTM is Technology House, Greenacres Office Park, Victory Park, Johannesburg 2193, Gauteng Province, South Africa.

General Development of the Business

Three year history

On October 26, 2004, the Company entered into the Western Bushveld Joint Venture Agreement and announced the formation of the Western Bushveld Joint Venture ("WBJV") with Anglo Platinum Limited ("Anglo Platinum") and Africa Wide Mineral Prospecting and Exploration (Pty) Limited ("African Wide") in relation to a platinum exploration and development project on combined mineral rights covering approximately 67 square kilometers on the Western Bushveld Complex of South Africa. The WBJV is divided into three distinct projects, namely Projects 1, 2 and 3. PTM is the operator of the joint venture.

The WBJV is currently owned 37% by PTM, 37% by Rustenburg Platinum Mines Ltd. ("RPM"), a subsidiary of Anglo Platinum, and 26% by Wesizwe Platinum (Pty) Ltd. ("Wesizwe"), which acquired Africa Wide in 2007.

On January 10, 2007, the Company completed a positive pre-feasibility study for the Project 1 area of the WBJV. During 2007 the WBJV then commissioned a Feasibility Study for the Project 1 area of the WBJV, which was completed and delivered to the partners of the WBJV on June 30, 2008.

The Feasibility Study and revised resource estimation for the Project 1 area of the WBJV was dated July 7, 2008. A report titled "Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd)" was filed by the Company on www.sedar.com on August 21, 2008. The Feasibility Study considers and outlines the details and mitigation of several considered projects risks, assessed in full detail, including metallurgical recoveries, smelting and refining costs, surface and mining rights, permits, and involvement of communities in compliance with the Minerals and Petroleum Resources Development Act (2002).

The Feasibility Study's findings were positive for a platinum mine in the Project 1 area of the WBJV. The Feasibility Study outlines a scope for an underground mine producing 160,000 ounces per annum platinum or 250,000 ounces per annum platinum, palladium, rhodium and gold in concentrate.

Under the terms of the original WBJV Agreement, once a bankable feasibility study has been completed the respective deemed capital contribution of each party will be credited based on their contribution of measured, indicated, and inferred platinum group metal ("PGM") ounces from the contributed properties comprising the WBJV, determined in accordance with the South African SAMREC code. Under the terms of the original WBJV Agreement, inferred ounces will be credited at US$0.50 per ounce, indicated ounces will be credited at US$3.20 per ounce and measured ounces will be credited at US$6.20 per ounce. The Company will also be credited for its Rand 35 million initial expenditure. For the later contribution of Portion 11 to the WBJV by RPM in April 2007 the original credit rates for equalization as described above have been amended to US$0.62 per inferred ounce, US$10.37 per indicated ounce and US$39.55 per measured ounce in order to adjust for market conditions at the time. Each party will then have the opportunity to make equalizing cash payment, or contribute capital going forward in order to catch up any resulting shortfall in their contributed capital and thereby maintain their respective working interest in the WBJV. Should a party not wish to participate, the WBJV agreement provides a mechanism whereby the parties may elect to become "non-contributory" to the WBJV and by doing so they would be subject to dilution. Anglo Platinum may only be diluted to a minimum 15% non-contributory interest in the WBJV. At the time of writing the estimated equalization payment due to Anglo Platinum by the Company is approximately US$20 million.

On September 2, 2008 the Company announced its agreement to a term sheet with Anglo Platinum and Wesizwe to consolidate and rationalize the WBJV (the "Proposed Transaction"). Under the terms Platinum Group will control 74% of the WBJV Projects 1 and 3 and Wesizwe will control 100% of Project 2 and 26% of Projects 1 and 3.

The Proposed Transaction contemplates that Anglo Platinum will vend its 37% interest in the WBJV to Wesizwe for common shares representing a 26.5% interest in Wesizwe. Platinum Group will concurrently acquire a 37% interest in Projects 1 and 3 from Wesizwe in consideration of Platinum Group's interest in Project 2 and R408.6 million (approx. C $49 million at the time of writing) in cash. The cash payment to Wesizwe is to be deferred until six months after closing the Proposed Transaction and will be held in escrow to be applied towards its capital contribution for the Projects 1 and 3. Steps to the Proposed Transaction are as follows:

1. Wesizwe will purchase Anglo Platinum's 37% interest in the WBJV, comprised of 37% of Projects 1 and 3 and 18.5% of Project 2 (part of the Wesizwe Frischgewaagd-Ledig main project), for 211,850,125 Wesizwe common shares.

2. In a concurrent transaction Platinum Group will purchase the 37% interest in Projects 1 and 3 from Wesizwe for 785.5M Rand (approx. C $94 million at the time of writing), offset by the sale to Wesizwe of Platinum Group's 18.5 % of Project 2 for 376.9M Rand (approx. C $45 million at the time of writing).

3. The balance, due from Platinum Group, of 408.6M Rand is to be paid into an escrow account within 6 months of the formal closing of this transaction. The escrow account will then be drawn down to satisfy Wesizwe's obligations for the capital account of Projects 1 and 3. If the payment for the balance due is not made by Platinum Group then Wesizwe shall be entitled to claw back up to 19% in the Projects.

The basis of valuation for the negotiations was the 10% discount rate NPVs of the Projects with platinum at US$1,199 per ounce for all projects and a Rand-to-Dollar exchange rate set at 8. The project models included the Feasibility Study results for Projects 1 and 2 and preliminary engineering on Project 3.

The settlement of equalization payments currently due to Anglo Platinum under the terms of the original WBJV agreement are now to be settled by Wesizwe in common shares and by Platinum Group in cash by the later of the closing date of the proposed transaction or December 31, 2008. At present, under the terms of the original WBJV agreement, equalization payments are due subsequent to a decision to mine being taken by the WBJV and are approximately US$18 million payable by Wesizwe and US$20 million payable by Platinum Group. Under the terms of the Proposed Transaction, if Platinum Group does not pay Anglo Platinum by the due date, Anglo Platinum can elect to provide a 6 month extension with interest. A total make up of approximately US$2.0M is also payable by Platinum Group to Wesizwe for past exploration costs incurred on Project 2.

The parties have agreed to suspend the 90 day deadline for a Decision to Mine under the terms of the original WBJV agreement until the Proposed Transaction is completed or a condition precedent is not able to be fulfilled. Under the Proposed Transaction, Anglo Platinum will hold a 60 day first right of refusal on the sale of ore or concentrate over the original WBJV mineral rights.

The closing of the Proposed Transaction is pending the completion of definitive agreements and certain conditions precedent, such as shareholder, regulatory and governmental approvals. The deadline to enter into the definitive agreements has been extended by the parties to December 6, 2008. At the time of writing the definitive agreements are nearing completion and the fulfillment of all conditions precedent is expected to then take several months beyond the execution of the agreements.

Having completed its feasibility study for WBJV Project 1 on June 30, 2008, mining authorization permit applications are in process and final permitting is expected in 2009. Should a formal decision to build a mine on Project 1 of the WBJV be taken by the Company it will need to obtain its 74% share of project financing and expand its capabilities as project operator in order to implement the project build decision.

The mine design involves the construction of a platinum mine and concentrator to produce 235,000 to 271,000 ounces of combined platinum, palladium, rhodium and gold ("4E") in concentrate per year steady state for 9 years with a 22 year total underground mine life. The capital cost for the mine and concentrator complex were estimated at R4.055 billion (approximately $483 million at the time of writing) for peak funding and R5.474 billion (approximately $652 million at the time of writing) for life of mine funding. The capital costs estimate includes R506 million (approximately $61 million at the time of writing) for the capital costs for self-generation of the electrical requirements of the project to the end of 2012 at full production levels. This includes the entire infrastructure for power including diesel storage.

The Feasibility Study recommends a series of three simultaneous declines accessing the deposit with a mining rate of 140,000 tonnes per month, which provides 13 years of steady state tonnage production. First ore is reached by development 13 months from the commencement of underground work. Mining is only scheduled on the reserves. There are a further 1.26 million ounces of Inferred Resources in the Project 1 area which may represent some additional production potential. The lower grade UG2 resources also provide some future opportunities. The mining and development plan includes conventional hand held drilling utilizing electrical drills and scraper winch cleaning.

The results of the Feasibility Study show a 20.08% Internal Rate of Return "IRR" (pre-tax) Base Case, using 3 year trailing metal prices to June 2008, calculated on the monthly averages including US$1,295 per ounce for platinum. The Feasibility Study model does not include escalation due to inflation of costs or metal prices. At November 4, 2008 the three year trailing metal prices were above those used in the study, but the spot prices of all metals included in the basket price calculation were below the three year trailing metal prices as at June 2008. Platinum was quoted at US$843 on November 4, 2008. Based on the three year trailing average metals prices, current exchange rates and probable lowering of input costs at the current time no change has been made to the Feasibility Study information and reserves and resources.

Total global exploration expenditures for the Company's account in fiscal 2008, including the Company's share of WBJV expenditures during, totaled $6,733,094 (2007 - $4,531,533), and of this $6,132,281 was for the WBJV (2007 - $3,775,890) and $600,813 was for other exploration (2007 - $755,643). After meeting its earn in requirements in April 2006, Platinum Group was only responsible for its 37% pro-rata share of expenditures for the WBJV in 2008. Total WBJV expenditures during fiscal 2008 by all Joint Venture partners totaled $10,205,108 (2007: $10,205,108).

The Company was also active with an exploration program on its War Springs and Tweespalk projects in South Africa on the North Limb of the Bushveld Complex during the period 2005 through 2008, consisting of diamond drilling, geophysical surveys and ground prospecting.

The Company also conducted work on its Canadian projects during the period. A 1,125 metre drill program was completed on the Company's Lac Des Iles projects in the first quarter. A further small drilling program is planned for late 2008. The Company maintains a large mineral rights position in the Lac des Iles area north of Thunder Bay as a strategic holding against increasing prices for palladium and platinum. Encouraging exploration results for palladium, platinum, nickel and copper continue to be returned and the Company plans to invest further in this area in the future.

During the period the Company conducted a new business generative program. Research and implementation, including the staking of several new license areas on or near to the Bushveld Complex, has cost approximately $576,552. The Company has received the grant of several new prospecting permits as a result of this work and several more are expected in the months ahead. The Company has subsequently entered into an exploration joint venture with Sable Platinum (Pty) Ltd. ("Sable") with respect to new prospecting permits located at the eastern end of the Western Bushveld Complex which encompass 82.9 square kilometers; a further 27.72 square kilometers have also been applied for and are pending review and approval. Sable has the right to earn a 51% interest in the joint venture by spending 51 million Rand in exploration costs over 5 years. A private empowerment group will hold 26% and the Company will operate the exploration program and retain a 23% interest when the earn-in is complete.

The Company has increased its general level of activity in the past four years in South Africa. Activities in Canada have been reduced as the more advanced nature of the WBJV has caused it to become an investment focus for the Company. The Company still actively reviews many potential property acquisitions in the normal course of business.

Significant Acquisitions

No significant acquisitions were completed by the Company during its most recently completed financial year. Subsequent to year end, on September 2, 2008, the Company announced in a news release its agreement to a term sheet with Anglo Platinum and Wesizwe to consolidate and rationalize the ownership of the WBJV. Under the terms of the proposed transaction the Company may increase its interests in the Project 1 and 3 areas of the WBJV to 74%. See details above at "General Development of the Business - Three year history".

Description of the Company's Business

The Company is a British Columbia corporation incorporated on February 18, 2002 by an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation. The Company is a platinum focused exploration and development company conducting work primarily on mineral properties it has staked or acquired by way of option agreement in the Republic of South Africa and in Ontario, Canada.

Platinum Group Metals Ltd. is headquartered in Vancouver, British Columbia. The Company and its consolidated subsidiary, Platinum Group Metals RSA (Pty.) Ltd., employ approximately 50 people in Canada and South Africa, with the majority of employees living and working in South Africa.

General

The Company's key project is its interest in the WBJV, a platinum exploration and development project on combined mineral rights covering approximately 72 square kilometres on the Western Bushveld Complex of South Africa. The majority of the Company's exploration and development activities to date have been focused on the WBJV and the completion of a definitive feasibility study.

In 2008 the Company determined that Project 1 of the WBJV contains ore reserves that are economically recoverable. The Company defers all acquisition, exploration and development costs related to mineral properties. The recoverability of these amounts is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of the property, and any future profitable production; or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

The Company also holds interests in various other early stage exploration projects located in Canada and in South Africa. The Company continues to evaluate exploration opportunities both on currently owned properties and on new prospects. Details of these other projects may be found in Note 6 of the Company's August 31, 2008 audited financial statements.

To conduct its exploration and planning, the Company is dependent on sub-contractors for certain engineering, geological services, drilling equipment and supplies. These are generally available but vary in price and immediacy of availability subject to demand.

Risk Factors

The Company's securities should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in the Company's Canadian and U.S. regulatory filings prior to making an investment in the Company.

The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in the forward-looking statements relating to the Company.

General

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity or quality to return a profit from production.

The Company will need additional financing

Although the Company's cash position is sufficient to fund general operating costs through fiscal 2009, the Company will require additional capital in the future to meet its WBJV related expenditures in the event the Proposed Transaction closes. It is unlikely that the Company will generate sufficient operating cash flow to meet all of these expenditures in the foreseeable future. Accordingly, the Company will need to raise additional capital by issuance of securities or by a sale or partnering of project interests in order to meet the payment requirements of the proposed transaction announced September 2, 2008. The Company has completed a Feasibility Study for the Project 1 area of the WBJV. If a production decision is taken, the Company will likely pursue both equity and debt financings for its share of the capital requirements for that project. There can be no assurance that the Company will be successful in obtaining any required financing now or in the future. Failure to obtain additional financing on a timely basis could result in delay or indefinite postponement of further exploration and development of the Company's mineral properties, with the possible reduction of interest or loss of such properties, or the inability to acquire any additional properties.

Metal prices affect the success of the Company's business

Metal prices have historically been subject to significant price fluctuations. No assurance may be given that metal prices will remain stable. Significant price fluctuations over short periods of time may be generated by numerous factors beyond the control of the Company, including domestic and international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increases or decreases in production due to improved mining and production methods. The current spot metals prices are significantly below the three year trading average prices used to assess the Company's Project 1 Feasibility in July 2008. Long term and short term prices are currently volatile. Significant or continued reductions or volatility in metal prices may have an adverse effect on the Company's business, including the amount of the Company's reserves, the Company's economic attractiveness of the Company's projects, the Company's ability to obtain financing and develop the Company's projects and, if the Company's projects enter the production phase, the amount of the Company's revenues or profit or loss.

The Company's business is subject to exploration and development risks

All of the Company's properties are in the exploration stage and no known reserves have been discovered on such properties, the exception being Project 1 of the WBJV. At this stage, favorable drilling results, estimates and studies are subject to a number of risks, including:

- the limited amount of drilling and testing completed to date;
- the preliminary nature of any operating and capital cost estimates;
- the difficulties inherent in scaling up operations and achieving expected metallurgical recoveries;
- the likelihood of cost estimates increasing in the future; and
- the possibility of difficulties procuring needed supplies of electrical power and water.

There is no certainty that the expenditures to be made by the Company or by its joint venture partners in the exploration of the properties described herein will result in discoveries of precious metals in commercial quantities or that any of the Company's properties will be developed. Most exploration projects do not result in the discovery of precious metals and no assurance can be given that any particular level of recovery of precious metals will in fact be realized or that any identified resource will ever qualify as a commercially mineable (or viable) resource which can be legally and economically exploited. The resource and reserve estimates contained in this Annual Information Form have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permit regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade and/or quantity of precious metals ultimately recovered may differ from that indicated by drilling results. There can be no assurance that precious metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. Extended declines in market prices for platinum, palladium, rhodium and gold may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition.

Economic and political instability may affect the Company's business

Since mid calendar 2008 there has been a negative trend with regard to the market for metal commodities and related products as a result of global economic uncertainty, reduced confidence in financial markets, bank failures and credit availability concerns. These macro-economic events have negatively affected the mining and minerals sectors in general. The Company's market capitalization has been significantly reduced. Although these circumstances will likely improve over the longer term, the short term impact upon the Company's liquidity and its ability to raise the capital required to execute its business plans going forward will be negative. As a result the Company will consider its plans and options carefully going forward into 2009. The Company intends to preserve its cash balances to the greatest extent possible curtailing capital and operational expenditures where possible.

The Company has assessed the carrying values of its mineral properties as a result of the market downturn. Based on current and expected metals prices and cost structures, management has determined that the values of the Company's mineral properties have not been impaired at this time. However, should current market conditions and commodity prices worsen and/or persist for a prolonged period of time, an impairment of mineral properties may be required.

South Africa has undergone significant changes in its government and laws since the free elections in 1994. At present, mining legislation in South Africa is continuing to undergo change. The new Mineral and Petroleum Resources

Development Act became law on May 1, 2004. The regulation and operation of this new law is still being implemented. In association with the new Act, the Mining Charter sets out a target of 26% ownership and participation in the mineral industry by "Historically Disadvantaged Persons" within ten years, but the mechanisms to fully affect this objective are still evolving. Accordingly, the South African legal regime may be considered relatively new, resulting in risks related to the possible misinterpretation of new laws, unilateral modification of mining or exploration rights, operating restrictions, increased taxes, environmental regulation, mine safety and other risks arising out of new sovereignty over mining, any or all of which could have an adverse effect on the Company. There is no certainty that the Company will be able to convert its existing exploration rights into mining rights. The Company's operations in general may also be affected in varying degrees by political and economic instability, terrorism, crime, fluctuations in currency exchange rates and inflation.

The Company requires various permits in order to conduct its current and anticipated future operations, and delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company.

The Company's current and anticipated future operations, including further exploration, development activities and commencement of production on the Company's properties, require permits from various South African federal, state, provincial, territorial and local governmental authorities. In particular, the Company must obtain a mining license for the WBJV Project 1 and an Environmental Impact Assessment must be completed. There can be no assurance that all licenses and permits which the Company requires for the construction of mining facilities and the conduct of mining operations will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such licenses and permits, or a failure to comply with the terms of any such licenses and permits that the Company has obtained, could have a material adverse impact on the Company.

The Company is subject to the risk of fluctuations in the relative values of the Canadian Dollar as compared to the South African Rand and the United States Dollar

The Company may be adversely affected by foreign currency fluctuations. The Company is primarily funded through equity investments into the Company denominated in Canadian Dollars. In the normal course of business the Company enters into transactions for the purchase of supplies and services denominated in South African Rand. The Company also has cash and certain liabilities denominated in South African Rand. Several of the Company's options to acquire properties or surface rights in the Republic of South Africa may result in payments by the Company denominated in South African Rand or in U.S. Dollars. Exploration, development and administrative costs to be funded by the Company in South Africa will also be denominated in South African Rand. Fluctuations in the exchange rates between the Canadian Dollar and the South African Rand or U.S. Dollar may have an adverse or positive affect on the Company. In the past year to November 10, 2008 the South African Rand has devalued by approximately 16% to the Canadian dollar and the Canadian dollar has devalued by approximately 19% to the U.S. Dollar.

Not all of the Surface Rights for the WBJV Project 1 have been purchased.

Not all of the surface rights over the proposed infrastructure design in the Feasibility Study have been purchased. An allowance for the cost of this has been made and the *Mineral Petroleum Development Act* (South Africa) may provide some assistance in ensuring that access to the minerals can be achieved at a reasonable cost; however there is no certainty that this process will be successful or timely. Platinum Group has purchased approximately 575 hectares of land over part of the deposit or adjacent to an area of the mine that may be useable for mine access and infrastructure. Platinum Group also holds a further 365 hectares adjacent to the south west of the deposit area. The purchased areas have not been tested for suitability and amendments to the mine plan, capital and operating cost estimates that would be required to relocate the mine infrastructure have not yet been completed. The failure to purchase the necessary surface rights will likely increase the costs of developing Project 1 and it may prevent or delay the development of Project 1.

The Company's properties are subject to title risks

The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. These defects could adversely affect the Company's title to such properties or delay or increase the cost of the development of such properties. In addition, the Company's properties may be subject to aboriginal or other historical rights that may be claimed on Crown properties or other types of tenure with respect to which mineral rights have been conferred.

The mineral exploration industry is extremely competitive

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies that possess greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable new producing properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel.

South African foreign exchange controls may limit repatriation of profits.

Loan capital or equity capital may be introduced into South Africa through a formal system of Exchange Control. Proceeds from the sale of assets in South Africa owned by a non-resident are remittable to the non-resident. Approved loan capital is generally remittable to a non-resident company from business profits. Dividends declared by a non-listed South African company are remittable to non-resident shareholders. However, there can be no assurance that restrictions on repatriation of earnings from the Republic of South Africa will not be imposed in the future.

Judgments based upon the civil liability provisions of the United States federal securities laws may be difficult to enforce.

The ability of investors to enforce judgments of United States courts based upon the civil liability provisions of the United States federal securities laws against our company and our directors and officers may be limited due to the fact that a majority of these persons reside outside of the United States and, in respect of our directors and officers, their assets are located outside the United States. There is uncertainty as to whether Canadian courts would: (i) enforce judgments of United States courts obtained against our company or our directors and officers predicated upon the civil liability provisions of the United States federal securities laws, or (ii) entertain original actions brought in Canadian courts against our company or such persons predicated upon the federal securities laws of the United States, as such laws may conflict with Canadian laws. In Canada, civil rights are within the legislative jurisdiction of the Provinces and Territories. The Province of British Columbia, in which our company and all of our directors and officers are resident, does not have laws for the reciprocal enforcement of judgments of United States courts.

The Company is a Passive Foreign Investment Company for United State Federal Income Tax Purposes which may have consequences for U.S. investors.

The Company is a passive foreign investment company ("PFIC") for United States Federal income tax purposes because it earns 75% or more of its gross income from passive sources. As a result, a United States holder of the Company's common shares could be subject to increased tax liability, possibly including an interest charge, upon the sale or other disposition of the United States holders' common shares or upon receipt of "excess distributions," unless such holder of common shares elect to be taxed currently on his or her pro rata portion of our income, whether or not the income was distributed in the form of dividends or otherwise. The election requires certain conditions be met such as filing on or before the due date, as extended, for filing the shareholder's income tax return for the first taxable year to which the election will apply. Otherwise, the election may only partially apply. Further, the elections will increase the administrative and regulatory burden on the Company.

The Company is subject to significant governmental regulation .

The Company's operations and exploration and development activities in South Africa and Canada are subject to extensive federal, state, provincial, territorial and local laws and regulation governing various matters, including:

- environmental protection;
- management and use of toxic substances and explosives;
- management of natural resources;
- exploration, development of mines, production and post-closure reclamation;
- exports;
- price controls;
- taxation;
- regulations concerning business dealings with native groups;
- labor standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in the Company incurring significant expenditures. The Company may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or a more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of the Company's properties.

The Company's operations are subject to environmental laws and regulation that may increase the Company's costs of doing business and restrict its operations.

Environmental legislation on a global basis is evolving in a manner that will ensure stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessment of proposed development and a higher level of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes to environmental legislation in Canada or South Africa will not adversely affect the Company's operations. Environmental hazards may exist on the Company's properties which are unknown at present and which have been caused by previous or existing owners or operators. Furthermore, future compliance with environmental reclamation, closure and other requirements may involve significant costs and other liabilities. In particular, the Company's operations and exploration activities are subject to Canadian and South African national and provincial laws and regulations governing protection of the environment. Such laws are continually changing and, in general, are becoming more restrictive.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

The Company has not made any material expenditure for environmental compliance to date. However, there can be no assurance that environmental laws will not give rise to significant financial obligations in the future and such obligations could have a material adverse affect on the Company's financial performance.

Mining is inherently dangerous and subject to conditions or events beyond the Company's control, which could have a material adverse effect on the Company's business.

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fire, flooding and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company's securities.

The Company has limited experience with development-stage mining operations.

Although there are personnel within the Company who have experience with development-stage mining operations, the Company's ability to place projects into production will be dependent upon using the services of both mining contractors and additional appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available the necessary expertise when and if the Company places its mineral properties into production.

The Company has a history of losses and it anticipates continuing to incur losses for the foreseeable future.

The Company has a history of losses including net losses of $5,086,589 in 2008; $6,758,123 in the year ended August 31, 2007; and $3,853,273 in the year ended August 31, 2006. At August 31, 2008 the Company had an accumulated deficit of $27,255,516. At August 31, 2007, the Company had an accumulated deficit of $22,168,927 and at August 31, 2006 $15,410,804. The Company anticipates continuing to incur losses for the foreseeable future until it can successfully place one or more of its properties into commercial production on a profitable basis.

The Company has a lack of cash flow, which may affect its ability to continue as a going concern. It is an exploration and development company with a history of losses and no history of revenues from its operations. None of the Company's properties are currently in production, and although a Feasibility Study indicates a positive economic model for Project 1 of the WBJV, there is no certainty that the Company will succeed in placing that project into production in the near future, if at all. During the year ended August 31, 2008 the Company had a loss of $5,086,589. During the year ended August 31, 2007, the Company had a loss of $6,758,123 and for 2006 a loss of $3,853,273. The Company used $4,547,428 in cash for operating activities in 2008 and used $3,682,561 for that purpose in 2007 and $2,356,261 in 2006. The Company used $8,574,127 for investing activities in 2008, $5,771,234 in 2007 and $6,522,431 in 2006. Historically, the only source of funds available to the Company has been through the sale of its equity securities.

The Company's continuing operations and the recoverability of the amounts capitalized for mineral properties in its consolidated financial statements, prepared in accordance with Canadian GAAP, is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay our liabilities arising from normal business operations when they become due. External financing, predominately by the issuance of equity to the public, will be sought to finance our operations; however, there is no assurance that sufficient funds will be raised.

The Company is required to contribute its share of exploration and other costs to maintain its interests in certain properties.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and it may as a result be subject to loss or dilution of its rights to acquire interests in the properties subject to such agreements.

On September 2, 2008 the Company announced in a news release its agreement to a term sheet with Anglo Platinum and Wesizwe to consolidate and rationalize the WBJV. Under the terms of the proposed transaction the Company will be responsible for material cash payments. See "General Development of the Business - Three year history" above for details. The proposed transaction is subject to the completion of definitive agreements and regulatory and other approvals. For more details of the Company's financial commitments see the Company's August 31, 2008 audited year end financial statements and Management Discussion and Analysis, both available on SEDAR at www.sedar.com .

Most of the Company's properties contain no known reserves.

Project 1 of the WBJV contains mineral reserves. The remaining properties are in the exploration stage meaning that the Company has not determined whether such properties contain mineral reserves that are economically recoverable. Failure to discover economically recoverable reserves on a mineral property will require it to write-off the costs capitalized for that property in its Canadian GAAP financial statements. At August 31, 2008 deferred acquisition, exploration and development costs related to all of the Company's mineral property interests totaled $7,798,664 (2007 - $4,897,047 and 2006 - $5,775,407).

The Company depends on its key management employees.

The Company's development to date has depended, and in the future will continue to depend, on the efforts of its key management figures: R. Michael Jones, the Company's Chairman, President, CEO and director; Frank R. Hallam, the Company's Chief Financial Officer and director; and Peter Busse, the Company's Chief Operating Officer. The loss of any of the Company's key management figures could have a material adverse effect on it. The Company has entered into contracts with the named directors, officers and employees. It does not maintain key man insurance on any of its management.

The Company's directors may be associated with other mineral resource companies.

Certain of the Company's officers and directors may become associated with other natural resource companies that acquire interests in mineral properties. R. Michael Jones, the Company's Chairman, President, Chief Executive Officer and director is also a director of Jerico Explorations Inc., a public company with a mineral exploration property in Arizona, a director of West Timmins Mining Inc., a public company with mineral exploration properties in Canada and Mexico, and a director of MAG Silver Corp., a public company with silver properties in Mexico. Frank Hallam, the Company's Chief Financial Officer and director, is also a senior officer of MAG Silver Corp., a director of Jerico Explorations Inc., and a director and senior officer of West Timmins Mining Inc. Eric Carlson, a director of the Company, is also a director of MAG Silver Corp. and a director of West Timmins Mining Inc. Any conflicts, which may arise, will be dealt with as disclosed below. Barry Smee, a director of the Company, is also a director of Almaden Resources Ltd., a company with projects in Mexico, the USA, and Canada.

Such associations may give rise to conflicts of interest from time to time. The Company's directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project or opportunity of the Company. If a subject involving a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and our financial position at that time.

The Company has outstanding stock options which, if exercised, could cause dilution to existing shareholders.

At November 1, 2008, the Company had 5,564,875 stock options issued and outstanding with a weighted average exercise price of $2.26 per share. Stock options are likely to be exercised when the market price of the Company's common shares exceeds the exercise price of such stock options. The exercise of such stock options and the subsequent resale of such common shares in the public market could adversely affect the prevailing market price and the Company's ability to raise equity capital in the future at a time and price which it deems appropriate. The Company may also enter into commitments in the future which would require the issuance of additional common shares and the Company may grant additional share purchase warrants and stock options. Any share issuances from the Company's treasury will result in immediate dilution to existing shareholders.

The Company's share price has been volatile in recent years.

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of many companies, particularly those considered exploration or development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. In particular, the per share price of the Company's common shares on the TSX fluctuated from a high of $4.20 to a low of $0.71 and on the NYSE Alternext US LLC (formerly the American Stock Exchange) ("NYSE Alternext") from a high of US$4.43 to a low of US$0.60 within the twelve month period preceding the date of this Annual Information Form. There can be no assurance that continual fluctuations in price will not occur.

We do not expect to pay dividends.

We have not paid any dividends since incorporation and we have no plans to pay dividends for some time. Our directors will determine if and when dividends should be declared and paid in the future based on our financial position at the relevant time. All of the shares of Common Stock are entitled to an equal share of any dividends declared and paid.

Companies with Asset-back Securities Outstanding

The Company holds no asset-backed securities or commercial paper.

Western Bushveld Joint Venture

Readers are encouraged to read the following technical reports, from which the disclosure in this section has been derived:

1. Filed on SEDAR August 21, 2008: Technical Report (Feasibility Study) Western Bushveld Joint Venture Project 1 (Elandsfontein and Frischgewaagd) – (n/r July 7, 2008); and
2. Filed on SEDAR June 11, 2008: Competent Persons Report on Project 3 of the Western Bushveld Joint Venture (WBJV) Located on the Western Limb of the Bushveld Igneous Complex, South Africa (n/r of June 09, 2008).

Introduction

On October 26, 2004 the Company (37%) entered into a Joint Venture with Anglo Platinum (37%) and Africa Wide (later acquired by Wesizwe) (26%) to pursue platinum exploration and development on combined mineral rights covering 67 square kilometres on the Western Bushveld Complex of South Africa.

The Company contributed all of its interests in portions of the farms Onderstepoort 98 JQ, Mimosa 81 JQ and Elandsfontein 102 JQ. The Company was also required to complete Rand 35 million (at August 31, 2005 approx. C$6.44 million) in expenditures as part of its earn-in, which expenditure the Company completed in April 2006. Certain portions of Elandsfontein 102 JQ, Onderstepoort 98 JQ, Frischgewaagd 96 JQ, Mimosa 81 JQ and Koedoesfontein 94 JQ were contributed by Rustenburg Platinum Mines Ltd.

On April 9, 2007 the Company announced the formal contribution to the WBJV of a 50% interest in the mineral rights to the 494 hectare Portion 11 of the Farm Frischgewaagd 96 JQ ("Portion 11") by RPM, a subsidiary of Anglo Platinum. With this addition the geographic area of the WBJV increased to approximately 72 square kilometres of territory.

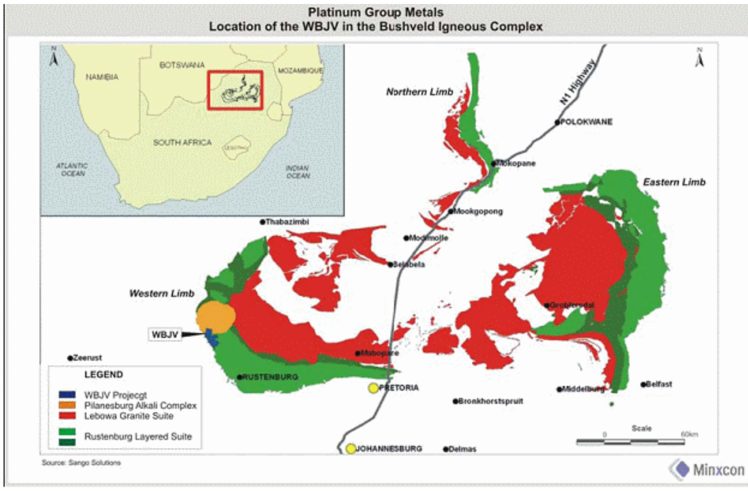
On September 2, 2008 the Company announced in a news release its agreement to a term sheet with Anglo Platinum and Wesizwe to consolidate and rationalize the WBJV. Under the terms of the Proposed Transaction, the Company will control 74% of the WBJV Projects 1 and 3 and Wesizwe will control 100% of Project 2 and 26% of Projects 1 and 3. See "General Development of the Business - Three year history" above for details. The proposed transaction is subject to the completion of definitive agreements and regulatory and other approvals. On September 7, 2007 the Company also published a revised statement of reserves and resources based on the terms of the proposed transaction.

For more details of the WBJV Agreement and the properties contributed by the Company, see Note 5. of the Company's August 31, 2008 audited year end financial statements available on SEDAR at www.sedar.com .

Project Description and Location

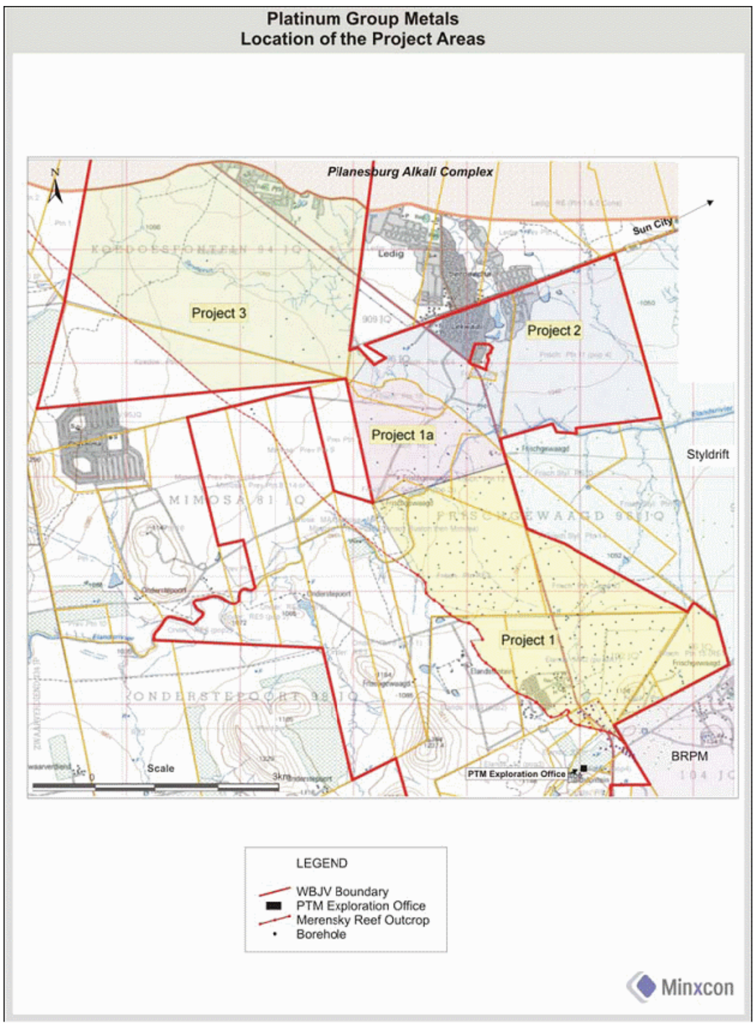
The WBJV is currently owned 37% by PTM, a wholly-owned subsidiary of the Company; 37% by RPM, a subsidiary of Anglo Platinum; and 26% by Wesizwe. The joint venture is a notarial contract and managed by a committee representing all partners. The WBJV is divided into three distinct project areas, namely Projects 1, 2 and 3. PTM is the operator of the joint venture.

The WBJV property is located on the south-western limb of the Bushveld Igneous Complex ("BIC"), 110km west-northwest of Pretoria and 120km from Johannesburg. The BIC is unique and well known for its layering and continuity of economic horizons mined for platinum, palladium and other platinum-group elements ("PGEs"), chrome and vanadium.



The total joint venture area includes portions of the Company's properties, namely Elandsfontein 102JQ, Mimosa 81JQ and Onderstepoort 98JQ, and also certain portions of Elandsfontein 102JQ, Onderstepoort 98JQ, Frischgewaagd 96JQ, Mimosa 81JQ and Koedoesfontein 94JQ contributed by RPM. These properties are centred on Longitude 27 ^{o} 00' 00'' (E) and Latitude 25 ^{o} 20' 00'' (S) and the mineral rights cover approximately 67km ^{2} or 6,700ha.

Project Area 1 and 1A covers an area of 10.87km ^{2} or 1,087ha in extent. Specifically, Project Area 1 and 1A consist of a section of Portion ("Ptn") 18, the Remaining Extent ("Re"), Ptn 13, Ptn 8, Re of Ptn 2, Ptn 7, Ptn 15 and Ptn 16 of the farm Frischgewaagd 96JQ, sections of Ptn 2, Ptn 9 and Ptn 12 of the farm Elandsfontein 102JQ and a small section of the Re of the farm Mimosa 81JQ. Project Area 3 covers an area of 224.28ha in extent and is located on a section of the farm Koedoesfontein 94JQ.



The resources of the WBJV Project Area 1 and 1A are located approximately 11km along strike from the active Merensky Reef (sometimes referred to as "MR") mining face at the operating Bafokeng Rasimone Platinum Mine ("BRPM"). BRPM completed opencast mining on the Upper Group 2 ("UG2") Reef within 100m of the WBJV property boundary.

The potential economic horizons in the WBJV Project Area 1 and 1A are the Merensky Reef and UG2 Chromitite seam situated in the Critical Zone ("CZ") of the Rustenburg Layered Suite ("RLS") of the BIC; these horizons are known for their continuity. The Merensky Reef and UG2 Chromitite seam are mined at the BRPM adjoining the WBJV property as well as on other contiguous platinum-mine properties. In general, the 33 layered package dips at less than 20 degrees and local variations in the reef attitude have been modelled. The Merensky Reef and UG2 Chromitite seam, in the Project Area, dip between 4 and 42 degrees, with an average dip of 14 degrees.

Drilling, in the form of diamond drilling, has been carried out over the Project Area and to-date 181 boreholes have been drilled for the purposes of understanding the geology, structure and metallurgy of the orebody in the Project Area. PTM has established a site office to the south of the Project Area, and all core is stored in the core yard on site. All logging and sampling of the core is undertaken at the site office core yard and the samples have been sent to Genanalysis (Perth), ALS Chemex (South Africa) and currently samples are sent to Set Point Laboratories (South Africa). A total of 29,303 samples have been assayed and utilised in the estimation of the Mineral Resources over the Project Area.

Measured Mineral Resource total 2.224 million ounces ("Moz"), Indicated Mineral Resources total 5.010Moz and Inferred Mineral Resources total 1.256 Moz of 4E (platinum, palladium, rhodium and gold) for Project Area 1 and 1A

Licences

The WBJV has been subdivided into several smaller portions as each area has its own stand-alone licence and Environmental Management Programme ("EMP"). Within the WBJV property, there are nine separate licences and they are specifically listed below for cross-referencing to the licence specifications. The licences over the WBJV area are as follows:

1. Elandsfontein (PTM)
2. Elandsfontein (RPM)
3. Onderstepoort (PTM) 4, 5 and 6
4. Onderstepoort (PTM) 3 and 8
5. Onderstepoort (PTM) 14 and 15
6. Onderstepoort (RPM)
7. Frischgewaagd (PTM)
8. Frischgewaagd (RPM)
9. Koedoesfontein (RPM)

Applications have been made in a timely fashion for conversion to the new Mineral and Petroleum Resources Development Act, 2002 (“MPRDA”). Prospecting is continuing while the conversions are in progress. The Prospecting Rights (“PR”) are all held in the North West Province Region of the Department of Mineral and Energy (“DME”) and are held for Platinum-group metals (“PGMs”), Nickel, Chrome and Gold. The following table details the aspects of the PR’s:

Legal Aspects and Tenure of the WBJV Area

Area and Map Reference	Farm Name	Ptn No	Area	Old Order PR	New Order PR	C D
Elandsfontein (PTM) Map Ref: 8	Elandsfontein 102JQ	12 (a Ptn of Ptn 3)	213.4714	PP269/2002 (Expired)	Protocol No. 467/2005. RDNW (KL) 5/2/2/4477	1 2
		14	86.4968			
		E of Ptn 1	67.6675			
Elandsfontein (RPM) Map Ref: 7	Elandsfontein 102JQ	8 (a Ptn of Ptn 1)	35.3705	PP73/2002 (Expired)	Protocol No: 553/2007 NW30/5/1/1/2/1274	4
		RE9	403.9876			
Onderstepoort (PTM) 4, 5 and 6 Map Ref: 5	Onderstepoort 98JQ	4 (a Ptn of Ptn 2)	79.8273	PP48/2004 (Expired)	Protocol No. 879/2006. RDNW (KL) 5/2/2/4716	5 2
		5 (a Ptn of Ptn 2)	51.7124			
		6 (a Ptn of Ptn 2)	63.6567			
Onderstepoort (PTM) 3 and 8 Map Ref: 6	Onderstepoort 98JQ	Re of Ptn 3	274.3291	PP26/2004 (Expired)	Protocol No.881/2006 RDNW (KL) 5/2/2/4717	5 2
		8 (a Ptn of Ptn 1)	177.8467			
Onderstepoort (PTM) 14 and 15 Map Ref: 3	Mimosa 81JQ	A Ptn of Re	245.2880	Unknown	Protocol No. 7/2005 NW5/2/2/4705	2
	Mimosa 81JQ	A Ptn of Re	183.6175			
Onderstepoort (RPM) Map Ref: 4	Mimosa 81JQ	(a Ptn of Ptn 3	127.2794	Unknown	Protocol No. 558/2008 NW 30/5/1/1/2/558	1 2
		Mineral Area 1 of Ruston 97JQ	29.0101			
		Mineral Area 2 of Ruston 97JQ	38.6147			
Frischgewaagd (PTM) (40%) Map Ref: 2	Frischgewaagd 96JQ	RE 2	616.614	294/2002	Protocol No. 117/2006 RDNW (KL)5/2/2/4414	1 2
		7 (a Ptn of Ptn 6)				
		8 (a Ptn of Ptn6)				
Frischgewaagd (RPM) (60%) Map Ref: 2	Frischgewaagd 96JQ	Re	1375.9054	PP294/2002	Protocol No: 560/2007 NW30/5/1/1/2/1264	4
		2				
		3				
		4				
		7				
		8				
		11				
		13				

Area and Map Reference	Farm Name	Ptn No	Area	Old Order PR	New Order PR	Commence Date	Expiry Date
Map Ref: 1					NW 20/5/1/1/2/1264		

* New Application submitted on 22 April 2008 (Reference No J/2008/04/22/003

The location of the PR's are illustrated graphically in Figure 3.

Rights to surface, minerals and agreements

PTM acquired its interest in Elandsfontein pursuant to a purchase agreement settled by way of an Agreement of Settlement, which was signed on 26 April 2005. The Agreement of Settlement has entitled PTM to the rights to the minerals as well as the freehold. PTM has purchased the surface rights to the property. The surface rights to Portions Re 1, 12 and Re 14 measure 364.6357 Ha. Option agreements in respect of Onderstepoort have been signed with the owners of the mineral rights on Portions Onderstepoort 4, 5 and 6; Onderstepoort 3 and 8; and Onderstepoort 14 and 15. The option agreement was bought out by way of a settlement agreement and a new order prospecting right covers this area. The remainder of the WBJV property is covered by Anglo Platinum prospecting rights contributed to the Joint Venture.

Mineralized zones

The BIC in general is well known for containing a large share of the world's platinum and palladium resources. There are two very prominent economic deposits within the BIC. Firstly, the Merensky Reef and the UG2 chromitite, which together can be traced on surface for 300km in two separate areas. Secondly, the Northern Limb ("Platreef"), which extends for over 120km in the area north of Mokopane.

In the past the Bushveld's platinum- and palladium-bearing reefs have been estimated at about 770 and 480 million ounces respectively (down to a depth of 2,000 metres). These estimates do not distinguish between the categories of Proven and Probable Reserves and Inferred Resource. Recent calculations suggest about 204 and 116 million ounces of Proven and Probable Reserves of platinum and palladium respectively, and 939 and 711 million ounces of Inferred Resources. Mining is already taking place at 2km depth in the BIC. Inferred and ultimately mineable ore resources can almost certainly be regarded as far greater than the calculations suggest. These figures represent about 75% and 50% of the world's platinum and palladium resources respectively. Reserve figures for the Proven and Probable categories alone in the BIC appear to be sufficient for mining during the next 40 years at the current rate of production. However, estimated world resources are such as to permit extraction at a rate increasing by 6% per annum over the next 50 years. Expected extraction efficiency is less for palladium. Thereafter, down-dip extensions of existing BIC mines, as well as lower-grade areas of the Platreef and the Middle Group chromitite layers (sometimes referred to as "CL"), may become payable. Demand, and hence price, will be the determining factor in such mining activities rather than availability of ore.

Exploration drilling to date on the WBJV area has shown that both economic reefs (Merensky and UG2) are present and economically exploitable on the WBJV properties. The separation between these reefs tends to increase from the subcrop environment (less than five metres apart) to depths exceeding 650 metres (up to 50 metres apart) towards the northeast. The subcrops of both reefs generally strike southeast to northwest and dipon average 14 degrees to the northeast. The reefs locally exhibit dips from 4 to 42 degrees (average 14 degrees) as observed from borehole information.

The most pronounced PGM mineralisation along the western limb of the BIC occurs within the Merensky Reef and is generally associated with a 0.1–1.2m-thick pegmatoidal feldspathic pyroxenite unit. The second important mineralized unit is the UG2 CL, which is on average 0.6–2.0m thick.

Environmental liabilities and Prospecting permits

There are no known environmental issues relating to the PTM or WBJV properties.

Mining and exploration companies in South Africa operate with respect to environmental management regulations in Section 39 of the Minerals Act (1991) as amended. Each prospecting area or mining site is subject to conditions such as that:

- environmental management shall conform to the EMP as approved by the DME;
- prospecting activities shall conform to all relevant legislations, especially the National Water Act (1998) and such other conditions as may be imposed by the director of Minerals Development;
- surfaces disturbed by prospecting activities will be rehabilitated according to the standard laid down in the approved EMPs;
- financial provision will be made in the form of a rehabilitation trust and/or financial guarantee;
- a performance assessment, monitoring and evaluation report will be submitted annually.

Prospecting permits are issued subject to the approval of the EMP, which in turn is subject to provision of a financial guarantee.

On *Elandsfontein (PTM)* the operator conducted exploration under an EMP approved for a prospecting permit granted to Royal Mineral Services on 14 November 2002 (now expired). A new application for a prospecting permit and an EMP has been lodged with the DME in the name of PTM and has been approved. A follow-up EMP was requested by the DME and was compiled by an independent consultant and filed on 23 August 2004. The updated EMP was accepted by the DME on 20 October 2004. The EMP financial guarantee with respect to this application is held by Standard Bank of South Africa (guarantee no. M410986) in the amount of R10,000. In terms of the notarial prospecting agreement (Clause 10) the Minister or authorised person has the right to inspect the performance of the company with regard to environmental matters.

With regard to the *Onderstepoort (PTM)* area that was contributed to the WBJV by PTM, all EMPs were lodged with the DME and approved on 30 April 2004 and 24 April 2004 for *Onderstepoort 4,5 and 6* and *Onderstepoort 3 and 8* respectively. Financial provision of R10,000 for each of the optioned areas have been lodged with Standard Bank (guarantee no. TRN M421362 for *Onderstepoort 4, 5 and 6* ; guarantee no. TRN M421363 for *Onderstepoort 3 and 8* ; and M421364 for *Onderstepoort 14 and 15*).

Regarding *Onderstepoort 14 and 15* , a follow-up EMP was requested by the DME and was compiled by an independent consultant and filed on 23 August 2004. The updated EMP was accepted by the DME on 20 October 2004. The financial guarantee of R10,000 in respect of this application is held by Standard Bank of South Africa (guarantee no. M410986). In terms of the notarial prospecting agreement (Clause 10) the Minister or authorised person has the right to inspect the performance of the company with respect to environmental matters.

In the areas of the WBJV that were originally owned by RPM, PTM will take responsibility for the EMPs that originated from RPM in respect of Elandsfontein, Onderstepoort, Frischgewaagd and Koedoesfontein. PTM as operator of the joint venture will be the custodian and will be responsible for all aspects of the Environmental Management Programmes and for all specifics as set out in all the various allocated and approved EMPs for properties that form part of the WBJV.

With respect to *Elandsfontein (RPM)* (Portions 8 and 9 of Elandsfontein 102JQ) there is an EMP dated 26 February 2004. There is also an EMP dated 11 March 2004 for portions of Mineral Area 2 (a portion of Mineral Area 1) of the farm Elandsfontein 102JQ.

Regarding *Frischgewaagd (RPM)* – Remaining Extent of Portion 4, Portion 3 (a portion of Portion 1), Portions 15, 16, 18, 2 and 17 (a portion of Portion 10) – an EMP dated 22 September 2002 exists.

The EMP for *Onderstepoort (RPM)* was submitted together with the prospecting permit application.

The EMP for *Koedoesfontein (RPM)* was received by the DME on 22 September 2002.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

South Africa has a large and well-developed mining industry in the area where the WBJV Project is located. This, among other factors, means that the infrastructure in the area is well established, with well-maintained roads and highways as well as electricity distribution networks and telephone systems.

The project area is located on the southwestern limb of the BIC, some 35km northwest of the North West Province town of Rustenburg. The town of Boshoek is situated 10km to the south along the tar road that links Rustenburg with Sun City and crosses the project area. The WBJV adjoins the Anglo Platinum-managed BRPM to the southeast. A railway line linking BRPM to the national network passes the project area immediately to the east with a railway siding at Boshoek. The WBJV properties are readily accessible from Johannesburg by traveling 120km northwest on Regional Road 24 to the town of Rustenburg and then a further 35km. Both BRPM to the south of the project area and Styldrift, a joint venture between the Royal Bafokeng Nation and Anglo Platinum, which lies directly to the east of the property, have modern access roads and services. Numerous gravel roads crossing the WBJV properties provide easy access to all portions.

The major population centre is the town of Rustenburg, about 35km to the southeast of the project. Pretoria lies approximately 100km to the east and Johannesburg about 120km to the southeast. A popular and unusually large hotel and entertainment centre, Sun City, lies about 10km to the north of the project area. The Sundown Ranch Hotel lies in close proximity to the project area and offers rooms and chalets as accommodation. The WBJV properties fall under the jurisdiction of the Moses Kotane Municipality. A paved provincial road crosses the property. Access across most of the property can be achieved by truck without the need for significant road building.

With low rainfall (the area is considered semi arid with an annual rainfall of 520mm) and high summer temperatures, the area is typical of the Highveld Climatic Zone. The climate of the area does not hinder the operating season and exploration can continue all year long.

All project areas are close to major towns and informal settlements as a potential source of labour with paved roads being the norm. Power lines (400kv) cross both project areas and water is, as a rule, drawn from boreholes. As several platinum mines are located adjacent to and within 50km of the property, there is excellent access to materials and skilled labour. One of the smelter complexes of Anglo Platinum is located within 60km of the property.

Surface rights to 365 ha on the Farm Elandsfontein have been purchased by the Company on behalf of the WBJV and this property may be of some use for potential operations. A further 575 ha of surface rights were purchased or in process of being purchased at August 31, 2008 by the Company alone. These surface rights are intended for purposes of tailings placements and surface infrastructure. Additional surface rights within the footprint of the mineral rights area are also required for location of shaft infrastructure, mill facilities and concentrator facilities and waste sites.

Topograhically, the WBJV area is located on a central plateau characterized by extensive savannah with vegetation consisting of grasses and shrubs with a few trees. The total elevation relief is greater as prominent hills occur in the northern most portions, but variations in topographical relief are minor and limited to low, gently sloped hills. On Project Area 1, elevations range from 1,080 metres above mean sea level ("AMSL") towards the Elands River in the north to 1,156m AMSL towards the farm Onderstepoort in the southwest, with an average of 1,100 AMSL. The section of the Koedoesfontein property covered by the Project 3 Area gently dips in a north-easterly direction toward a tributary of the Elands River. On Project 3 Area, elevations range from 1,060m AMSL towards the Sandspruit River in the north to 1100m AMSL towards the south eastern corner of the property.

History

Elandsfontein (PTM) , *Onderstepoort (Portions 4, 5 and 6)* , *Onderstepoort (Portions 3 and 8)* and *Onderstepoort (Portions 14 and 15)* were all privately owned. Previous work done on these properties has not been fully researched and is largely unpublished. Such academic work as has been done by the Council for Geoscience (government agency) is generally not of an economic nature.

Elandsfontein (RPM) , *Frischgewaagd*, *Onderstepoort (RPM)* and *Koedoesfontein* have generally been in the hands of major mining groups resident in the Republic of South Africa. Portions of Frischgewaagd previously held by Impala Platinum Mines Limited were acquired by Johannesburg Consolidated Investment Company Limited, which in turn has since been acquired by Anglo Platinum through RPM.

Previous geological exploration and resource estimation assessments were done by Anglo Platinum as the original owner of some of the mineral rights. Anglo Platinum managed the exploration drilling programme for the Elandsfontein and Frischgewaagd borehole series in the area of interest on Project Area 1, and for the Koedoesfontein borehole series in the area of interest on Project Area 3. Geological and sampling logs and an assay database are available.

Project Area 1

Prior to the establishment of the WBJV and commencement of drilling for the Pre-feasibility study, PTM had drilled 36 boreholes on the Elandsfontein property, of which the geological and sampling logs and assay databases are available.

Existing gravity and ground magnetic survey data were helpful in the interpretation of the regional and local geological setting of the reefs. A distinct increase in gravity values occurs from the southwest to the northwest, most probably reflecting the thickening of the Bushveld sequence in that direction. Low gravity trends in a southeastern to northwestern direction. The magnetic survey reflects the magnetite-rich Main Zone and some fault displacements and late-stage intrusives in the area.

Project Area 3

The drilling program consisted of three boreholes (KD1, KD2 and KD3). Boreholes KD1 and KD3 were drilled beyond the Merensky Reef and UG2 CL subcrop, and terminated in sediments of the Transvaal Supergroup. Drilling of borehole KD2 was stopped short of the Merensky Reef subcrop.

There has been no previous production from any of the WBJV properties.

Geological Setting

Regional Geology of the BIC

The stable Kaapvaal and Zimbabwe Cratons in southern Africa are characterised by the presence of large mafic-ultramafic layered complexes. These include the Great Dyke of Zimbabwe, the Molopo Farms Complex in Botswana and the well-known BIC.

The BIC was intruded about 2,060 million years ago into rocks of the Transvaal Supergroup along an unconformity between the Magaliesberg quartzites (Pretoria Group) and the overlying Rooiberg felsites (a dominantly felsic volcanic precursor). The BIC is by far the most economically important of these deposits as well as the largest in terms of preserved lateral extent, covering an area of over 66,000km ^{2} . It has a maximum thickness of 8km, and is matched in size only by the Windimurra intrusion in Western Australia and the Stillwater intrusion in the USA (Cawthorn, 1996). The mafic component of the Complex hosts layers rich in PGEs, nickel, copper, chromium and vanadium. The BIC is reported to contain about 75% and 50% of the world's platinum and palladium resources respectively (Vermaak, 1995). The mafic component of the BIC is subdivided into several generally arcuate segments/limbs, each associated with a pronounced gravity anomaly. These include the western, eastern, northern/Potgietersrus, far western/Nietverdient and southeastern/Bethal limbs.

Local Geology

The WBJV is underlain by the lower portion of the RLS, the Critical Zone and the lower portion of the Main Zone. The ultramafic Lower Critical Zone and the Mafic Upper Critical Zone and the Main Zone weather to dark, black clays with very little topography. The underlying Transvaal Supergroup comprises shale and quartzite of the Magaliesberg Formation, which creates a more undulating topography. Gravity, magnetic, LANDSAT, aerial photography and geochemistry have been used to map out lithological units.

In parts of the WBJV the MR outcrops, as does the UG2 Reef, beneath a relatively thick (2-5m) overburden of red Hutton to darker Swartland soil forms. The sequence strikes northwest to southeast and dips between 4° and 42° with an average of 14° in the Project 1 and 1A areas, and with an average dip of ~ 10° in the Project 3 area. The top 32m of rock formation below the soil column is characterized by a highly weathered rock profile (regolith) consisting mostly of gabbro within the Main Zone. Thicknesses of this profile increase near intrusive dykes traversing the area.

Stratigraphy

The RLS intruded into the rocks of the Transvaal Supergroup, largely along an unconformity between the Magaliesberg quartzite of the Pretoria Group and the overlying Rooiberg felsites, which is a dominantly felsic volcanic formation. The mafic rocks of the RLS are subdivided into the following five zones:

- *Marginal Zone* comprising finer-grained gabbroic rocks with abundant country-rock fragments.
- *Lower Zone* – the overlying Lower Zone is dominated by darker, more iron and magnesium bearing rocks (orthopyroxenite with associated olivine-rich cumulates (harzburgite, dunite)).
- *Critical Zone* – its commencement is marked by first appearance of well-defined cumulus chromitite layers. Seven Lower Group chromitite layers have been identified within the lower Critical Zone. Two further chromitite layers – Middle Group ("MG") – mark the top of the lower Critical Zone. From this stratigraphic position upwards, plagioclase becomes the dominant cumulus phase and lighter coloured (noritic) rocks predominate. The MG3 and MG4 chromitite layers occur at the base of the upper Critical Zone, which is characterised from here upwards by a number of cyclical units. The cycles commence in general with narrow, darker (pyroxenitic) horizons (with or without olivine and chromitite layers); these invariably pass up into norites, which in turn pass into near white layers (leuconorites and anorthosites). The UG1 – first of the two Upper Group chromitite layers – is a cyclical unit consisting of chromitite layers with overlying footwall units that are supported by an underlying anorthosite. The overlying UG2 chromitite layer is of considerable importance because of its economic concentrations of PGEs. The two uppermost cycles of the Critical Zone include the Merensky and Bastard cycles. The Merensky Reef is found at the base of the Merensky cycle, which consists of a pyroxenite and pegmatoidal feldspathic pyroxenite assemblage with associated thin chromitite layers that rarely exceed one metre in thickness. The top contact of the Critical Zone is defined by a giant mottled anorthosite that forms the top of the Bastard cyclic unit.
- *Main Zone* – consists of norites grading upwards into gabbronorites. It includes several distinctive mottled anorthosite units towards the base and a distinctive pyroxenite, the Pyroxenite Marker, two thirds of the way up. This marker-unit does not occur in the project area, but is evident in the adjacent BRPM. The middle to upper part of the Main Zone is very resistant to erosion and gives rise to distinctive hills, which are currently being mined for dimension stone (black granite).
- *Upper Zone* – the base is defined by the appearance of cumulus magnetite above the Pyroxenite Marker. The Upper Zone is divided into Subzone A at the base; Subzone B, where cumulus iron-rich olivine appears; and Subzone C, where apatite appears as an additional cumulus phase.

Local Geological Setting –Western Bushveld Limb

Exposures of the BIC located on the western limb include the stratigraphic units of the RLS. The local geology includes the classic layered sequence of the RLS and the footwall rocks of the Transvaal Supergroup. The Merensky Reef is believed to be present within much of this lobe. The position of the Merensky Reef is fairly closely defined by seismic reflectors associated with the cyclic units of the upper Critical Zone.

The sequence of the BIC within the WBJV area is confined to the lower part of the Main Zone (Porphyritic Gabbro Marker) and the Critical Zone (HW5–1 and Bastard Reef to UG1 footwall sequence). The rock sequence thins towards the southwest (subcrop) including the marker horizons with concomitant middling of the economic reefs or total elimination thereof. The UG2 Reef and, more often, the UG1 Reef are not developed in some areas owing to the irregular and elevated palaeo-floor of the Transvaal sediments.

Reefs

The MR is a well developed seam along the central part and towards the north eastern boundary of the Project 1 area. Islands of thin reef and relatively low-level mineralization are present. The better-developed reef package, in which the intensity of chromitite is generally combined with pegmatoidal feldspathic pyroxenite development, occurs as larger island domains along a wide central strip in a north south orientation from subcrop to deeper portions. The Merensky Reef structure at the Project 3 Area has not been interpreted to date.

The UG2 reef is well developed towards the northeast of the project area, but deteriorates towards the southwest. Within the latter area, the reef is present as a thin discontinuous or disrupted chromitite/pyroxenite layer. It also appears to be disrupted by the shear zone along the footwall alteration zone. Towards the northwest on Frischgewaagd, the reef is generally well developed and occurs as a single prominent chromitite layer varying in thickness from a few centimetres to ~2m.

The thickness of the sequences between the UG2 and MR in the Project 1 and 1A areas increases from ~10m to 80m in a southwest-northeast direction. A similar situation exists in the north of the project area but with the thickness between the reefs ranging from 6m to 25m at depths of 200m below surface. In general, the thickness between the reefs appears to increase in a northeasterly direction, sub-parallel to the strike of the BIC layered lithologies.

Local Structural Model

Floor rocks in the southwestern BIC display increasingly varied degrees of deformation towards the contact with the RLS. Structure within the floor rocks is dominated by the north-northwest trending post-Bushveld Rustenburg Fault. This normal fault with down-throw to the east extends northwards towards the west of the Pilanesberg Alkaline Complex. A second set of smaller faults and joints, striking 70° and dipping very steeply south-southeast or north-northwest, are related to the Rustenburg fault system. These structures were reactivated during the intrusion of the Pilanesberg Alkaline Complex. Dykes associated with this Complex intruded along these faults and joints.

Major structures, which occur within the WBJV area, include the Caldera and Elands faults and Chaneng Dyke and a major north-south trending feature, which can be observed across the entire Pilanesberg Complex. These east-west trending structures dip steeply (between 80° and 90°). The magnetics indicate that the Chaneng Dyke dips steeply to the north. This is consistent with similar structures intersected underground on the neighbouring Bafokeng Rasimone Platinum Mine, which all dip steeply northward.

Two stages of folding have been recognized within the area. The earliest folds are mainly confined to the Magaliesberg Quartzite Formation. The fold axes are parallel to the contact between the RLS and the Magaliesberg Formation. Quartzite xenoliths present close to the contact with the RLS and the sedimentary floor. Examples of folding within the floor rocks are the Boekenhoutfontein, Rietvlei and Olifantsnek anticlines. The folding was initiated by compressional stresses generated by isostatic subsidence of the Transvaal Supergroup during sedimentation and the emplacement of the pre-Bushveld sills. The presence of an undulating contact between the floor rocks and the RLS, and in this instance the resultant formation of large-scale folds, substantiates a second stage of deformation. The fold axes trend at approximately orthogonal angles to the first folding event. Deformation during emplacement of the BIC was largely ductile and led to the formation of basins by sagging and folding of the floor rocks. This exerted a strong influence on the subsequent evolution of the Lower and Critical Zones and associated chromitite layers.

The structural events that influenced the floor rocks played a major role during emplacement of the BIC. There is a distinct thinning of rocks from east to west as the BIC onlaps onto the Transvaal floor rocks, even to the extent that some of the normal stratigraphic units have been eliminated. The Merensky and UG2 isopach decreases from 60m to 2m at outcrop position.

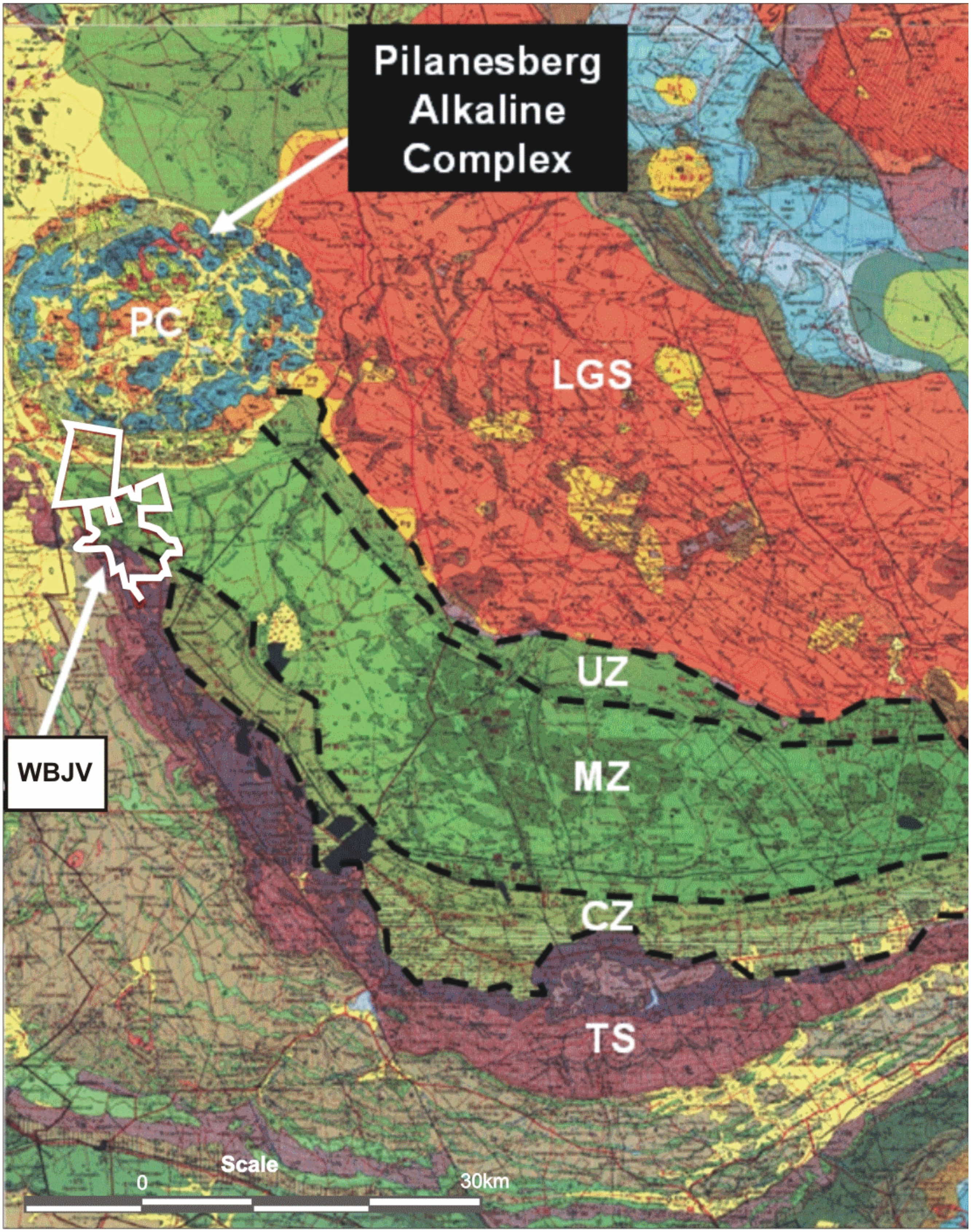
A structural model was developed from data provided by the magnetic survey results and geological logs of drilled cores. At least three generations of faults were identified on the property.

The oldest event appears to be associated with dykes and sills trending at 305 degrees and is of post-BIC age. It appears to be the most prominent, with the largest displacement component of more than 20m. The majority of the faults are normal faults dipping in a westerly direction, decreasing in their dip downwards and displaying typical listric fault system behaviour.

A second phase represented by younger fault features is trending in two directions at 345 degrees and 315 degrees northwards respectively and appears to have consistent down-throws towards the west.

A third phase of deformation may be related to a regional east-west-striking dyke system causing discontinuity on adjacent structures. Several dolerite intrusives, mainly steep-dipping dykes and bedding-parallel sills, were intersected in boreholes. These range in thickness from 0.5–30m and most appear to be of a chilled nature; some are associated with faulted contacts. Evident on the magnetic image is an east-west-trending dyke, which was intersected in borehole WBJV005 and appears to be of Pilanesberg-intrusion age. This dyke has a buffer effect on structural continuity as faulting and earlier stage intrusives are difficult to correlate on either side; and more work is required to understand the mechanics.

Platinum Group Metals
Location of the WBJV in the Western Limb of the Bushveld Ig

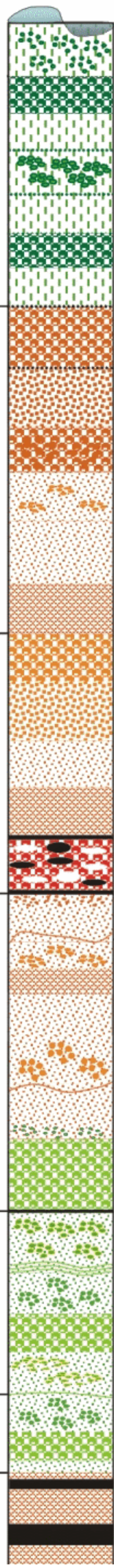


Sourc

RUSTENBURG LAYERED SUITE:

Upper Group

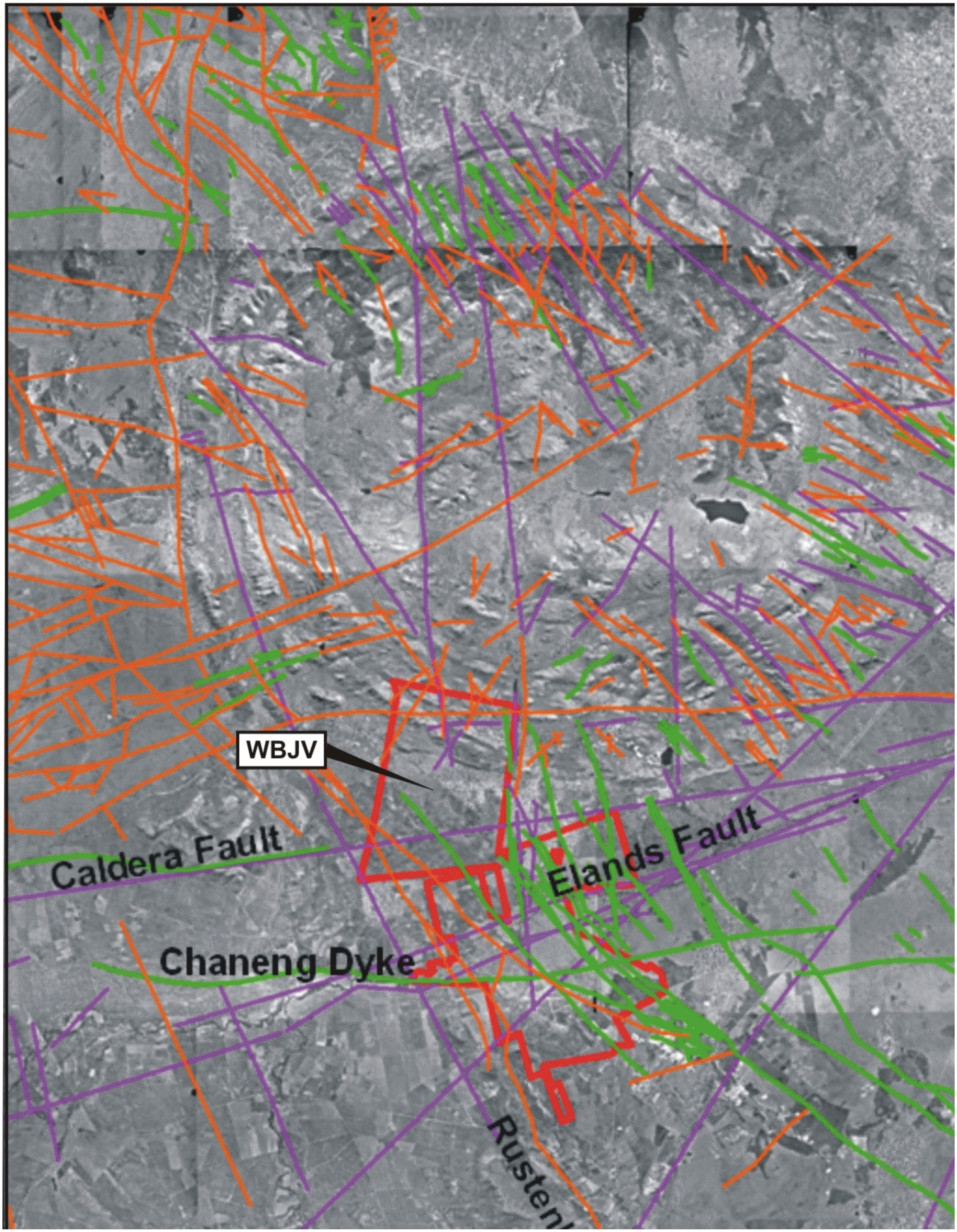
Detailed Stratigraphy of the Western Bushveld Sequ



Unit	Est metres	Litho- unit	Description
MZN (Main Zone) >450m		MZGN4	Gabbro
		MMA2	Mottled / spotted anorthosite sequence
		MZGN3	Gabbro - norite
		PCN	Porphyritic Cluster Gabbro- norite
		MZGN2	Gabbro - norite
		MMA1	Mottled / spotted anorthosite sequence
		MZGN1	Gabbro - norite
BCU (Bastard Cyclic Unit)	20 - 40	HW5	Transgression contact from MZN, med. mottled anorthosite grading into spotted anorthosi
	8 – 10	HW4	Leopard spotted poikan anorthosite towards abrupt contact of HW3
	8 - 10	HW3	Large mottled anorthosite grading down the sequence to medium mottled anorth (GPA).
	4	HW2	Spotled leuco-norite
	6	HW1	Norite grading into fine-grain pyroxenite
	2 - 3	**BR**	**Bastard Reef**: Pyroxenite med to coarse grained (sometimes feldspathic & bronxitite incli
MCU (Merensky Cyclic Unit)	3	MID3	Poikan Mottled anorthosite
	6 -7	MID2	Grading from top to bottom med mottled to spotted anorthosite to leuco norite
	0 - 8	MID1	Mela-Norite grading to the base into pyroxenite fine grained
	0.1- 1.5	MPyx	Merensky HW pyroxenite – coarse grained (bottom graded sulphides)
	0.02 – 0.60	**MR**	**Merensky Reef** : At least two facies: 1. Upper & lower Chromitite with internal Felds- peg 2. Upper Chromitite & underlying Feldspathic Pyroxenite (FPP <5cm)
MFCU (Merensky Footwall Cyclic Unit)	3 - 5	FW1	Grading from spotted anorth (FW1A) few cm at top towards leuco- norite (FW1B) towards
	0.1 – 0.3	FW2	*Cyclic unit* (spotted anorthositic norite – to – mottled anorth – to – fine grain Feldsp- pyrox
	2- 5	FW3	Norite (FW3A) grading into Leuco-norite (FW3B) with variable texture (corona texture not
	0.5 - 1	FW4	Small mottled to spotted poikilitic norite (occationally thin <5cm anorthositic layer included
	1 - 3	FW5	Olivien-Leuco-norite with corona texture towards the base
	1 - 8	FW6	Large mottled (poikilitic) anorthosite, pinkish white (sometimes pegmatoidal feldspathic ha boulder-like inclusions.
	1-6mm	LC	The **Lone Chrome Marker** (1 to 6mm) at bottom of FW6 as abrupt interface between FW
P2CU (Pseudo2 Cyclic Unit)	0.3 - 35	FW7	Upper Leuco-norite (banded/spotted greenish anorthositic) with *corona texture* olivine cry growth. Platy Olivine Marker.
	1 -3	FW8	Spotted leuco- olivine norite
	0 – 1.5	FW9	Mottled towards spotted anorthosite
	0.1 - 9	FW10	Hartzburgite – Troctolite (Spotted anorthositic norite)
P1CU (Pseudo1 Cyclic Unit)	3 -11	FW11	Fine spotted leuco-norite
	8 -13	FW12	Large mottled anorthosite
		UG2L3	Leader chromitite seam variable thickness in pyroxenite, abrupt contacts. Mostly not deve
	0.03 -1.2	UG2 HW	Coarse grained feldspathic-pyroxenite
UG2U	0.03 – 0.20	UG2L2	Leader chromitite seam variable thickness, abrupt contacts.

MZGN4 to MZGN1: Norite/ Gabbro-norite with occasiona alternative fine-grained fpyx layering iron replacement inclusions)

Platinum Group Metals
Regional Stucture



Exploration

PTM is the operator of the WBJV and PTM personnel have conducted or supervised the work described below. Third party contractors are used to conduct specific components of the work, such as drilling contractors or geophysical contractors, for example, but they remain under the direction of PTM.

Project Area 1

Fieldwork in the form of soil sampling and surface mapping was initially done on the farm Onderstepoort, where various aspects of the lower Critical Zone, intrusive ultramafic bodies and structural features were identified. Efforts were later extended southwards to the farms Frischgewaagd and Elandsfontein. The above work contributed directly to the economic feasibility of the overall project, directing the main focus in the project area towards delineation of the subcrop position of the actual Merensky and UG2 economic reef horizons.

Geophysical information obtained from Anglo Platinum was very useful during the identification and extrapolation of major structural features as well as the lithological layering of the BIC.

Ground gravity measurements of 120.2 km have been completed on 500 metre line spacing perpendicular to the strike across the deposit, together with 65.5 km of ground magnetic survey. The ground gravity data played a significant role in determining the hinge line where the BIC rocks start thickening down-dip, and this raised the possibility of more economic mineralization. At the same time, the data shows where the Transvaal footwall causes the abutment or onlapping of the BIC rocks. Ground magnetic data helped to highlight faults and dykes as well as to delineate iron replacement ultramafic pegmatoids.

An aeromagnetic survey was flown for Anglo Platinum by Fugro Airborne using a Midas Heli-borne magnetic gradiometer system. A total of 25,324 line kilometres were flown on lines with a direction of 55° (true north) and with a sensor at a nominal elevation of 20 metres. The area covered by the survey was some four times larger than the WBJV area, which was situated in the north western quadrant of the surveyed area. The high resolution survey data was of a very high quality. The aeromagnetic data alone made it possible to delineate magnetic units in the Main Zone, to recognise the strata strike and to identify the dykes and iron-replacements.

Project Area 3

Exploration to date for the Project 3 Area has included geophysical surveys (magnetic, gravity, 3D seismics and aerial magnetic), drilling, assaying and structural interpretation and analysis. Drilling on the project area has ceased at present, but is planned to be recommenced at a future time. An initial inferred resource was declared for Project 3 on April 25, 2008 (See press release of same date and below). Under the terms of a proposed transaction announced September 2, 2008 and described above at "General Development of the Business - Three year history" the Company is to control 74% of Project 3. The purpose of future exploration programs will be to test for additional resource ounces and to upgrade known resources into higher levels of confidence and to further assess geological structures in the areas of known resources.

Project Area 3 – Mineral Resource Statement

MR = Merensky Reef; UG2 = Upper Group No. 2 chromitite seam; PGE = Platinum Group Metals.
The cut-offs for Inferred Mineral Resources have been established by a qualified person after a review of potential operating costs and other factors.

Inferred Mineral Resource (4E)	Cut-off (cm.g/t)	Million Tonnes	Grade 4E (g/t)	Potential Mining Width (m)	Tons PGE (4E)	Moz PGEs (4E)
Project 3 MR	100	4.040	6.26	1.12	25.307	0.814
Project 3 UG2	100	6.129	5.51	1.22	33.781	1.086
Total Inferred	**100**	**10.169**	**5.81**		**59.088**	**1.900**

Prill Splits	Pt	Pt (g/t)	Pd	Pd (g/t)	Rh	Rh (g/t)	Au	Au (g/t)
Project 3 MR	64%	4.01	27%	1.69	4%	0.25	5%	0.31
Project 3 UG2	62%	3.42	28%	1.54	9%	0.50	1%	0.06

Notes: Due to rounding, this should be read in conjunction with Item 19 (e)

The Qualified Person for the mineral resources reported above is Charles Muller of Minxcon.

Mineralization

Exposures of the BIC located on the western limb include the stratigraphic units of the RLS. The sequence comprises mostly gabbros, norites, anorthosites and pyroxenites. The potential economic horizons in the WBJV Project 1 and 3 Areas are the Merensky Reef and UG2 CL situated in the Critical Zone of the RLS of the BIC; these horizons are known for their continuity. The Merensky Reef in Project Area 1 is the main exploration target; the UG2 CL has lesser economic potential and will be exploited after the Merensky Reef during a later stage of the proposed mine life. The Merensky Reef is generally associated with a 0.1-1.2m-thick pegmatoidal feldspathic pyroxenite unit and is also generally associated with thin chromitite layers on either/both the top and bottom contacts of the reef. The UG2 chromitite layer occurs sequentially below the Merensky Reef and is on average 1.50m thick.

The Merensky and UG2 Reefs are mined at the BRPM adjoining the WBJV property as well as on other contiguous platinum-mine properties. In general, the layered package dips at less than 20 degrees to the northeast and local variations in the reef attitude have been modelled. The Merensky and UG2 reefs, in Project Area 1, dip between 4 and 42 degrees, with an average dip of 14 degrees, and in the Project 3 Area, dip at approximately 10 degrees.

Drilling

The type of drilling being conducted on the WBJV is a diamond-drilling core-recovery technique involving a BQ-size solid core extraction. The drilling is placed on an unbiased 500m x 500m grid and detailed when necessary to a 250m x 250m grid. The grid has been extended for 4.5km along strike to include the whole of the Project 1 and 1A area. To date, 213 boreholes have been drilled by the company on Project Area 1 and 30 boreholes have been drilled on Project 1A. A total of 7 holes have been drilled on RE 4 and Portion 11 of the Farm Frischewaagd within Project 2 area by the WBJV. Additional holes have also been drilled on RE 4 and Portion 11 by project 2 operator Wesizwe, who reports that they have drilled a further 95 boreholes for a total of 74,138 metres on those farm portions.

To date, a total of 24 boreholes have been drilled by PTM on Project 3 Area. 3 deflections were drilled for boreholes which intersected the Merensky Reef or UG2 CL, and all of these deflections were assayed.

The results of the drilling and the general geological interpretation are digitally captured in SABLE (a commercially available logging software) and in a GIS software package named ARCVIEW. The exact borehole locations, together with the results of the economic evaluation, are plotted on plan. From the geographic location of the holes drilled, regularly spaced sections are drawn by hand and digitised. This information was useful for interpreting the sequence of the stratigraphy intersected as well as for verifying the borehole information.

The structural features identified from aeromagnetic data were interpreted in terms of a regional structural model. Major dyke features were easily recognised and these assisted in the compilation of a structural model for the WBJV project area. Exploration drilling later helped to identify a prominent east-west-trending linear feature as a south dipping dyke. This dyke occurs along the northern boundary of the project area. A second dyke occurs along the northeastern boundary of the Elandsfontein and Frischewaagd areas. Other major structural features include potential faults oriented at 345 degrees north in the deep environment of the Frischewaagd south area.

The geometry of the deposit has been clearly defined in the sections drawn through the property. With the exception of three inclined boreholes, all holes were drilled vertically (minus 90 degrees) and the down hole surveys indicate very little deviation. A three-dimensional surface – digital terrain model (DTM) – was created and used in the calculation of the average dip of 14 degrees (10 degrees for Project 3). This dip has been factored into the calculations on which resource estimates are based.

Sampling and Analysis

Drilled core is cleaned, de-greased and packed into metal core boxes by the drilling company. The core is collected from the drilling site on a daily basis by a Company geologist and transported to the exploration office by Company personnel. Before the core is taken off the drilling site, the depths are checked and entered on a daily drilling report, which is then signed off by the Company. The core yard manager is responsible for checking all drilled core pieces and recording the following information:

- Drillers' depth markers (discrepancies are recorded).
- Fitment and marking of core pieces.
- Core losses and core gains.
- Grinding of core.
- One-meter-interval markings on core for sample referencing.
- Re-checking of depth markings for accuracy.

Core logging is done by hand on a Company pro-forma sheet by qualified geologists under supervision of the project geologist, who is responsible for timely delivery of the samples to the relevant laboratory. The supervising and project geologists ensure that samples are transported by Company contractors.

Sample Method, Location, Number, Type and Size of Sampling

The first step in the sampling of the diamond-drilled core is to mark the core from the distance below collar in 1m units and then for major stratigraphic units. Once the stratigraphic units are identified, the economic units – Merensky Reef and UG2 Chromitite seam – are marked. The top and bottom contacts of the reefs are clearly marked on the core. Thereafter the core is rotated in such a manner that all lineations pertaining to stratification are aligned to produce a representative split. A centre cut line is then drawn lengthways for cutting. After cutting, the material is replaced in the core trays. The sample intervals are then marked as a line and a distance from collar.

The sample intervals are typically 15–25cm in length. In areas where no economic zones are expected, the sampling interval could be as much as a metre. The sample intervals are allocated a sampling number, and this is written on the core for reference purposes. The half-core is then removed and placed into high-quality plastic bags together with a sampling tag containing the sampling number, which is entered onto a sample sheet. The start and end depths are marked on the core with a corresponding line. The duplicate tag stays as a permanent record in the sample booklet, which is secured on site. The responsible project geologist then seals the sampling bag. The sampling information is recorded on a specially designed sampling sheet that facilitates digital capture into the SABLE system. The sampling extends for about a metre into the hanging wall and footwall of the economic reefs.

Up to the date of the Feasibility Study, a total of 122,361m has been drilled by PTM on the Project 1 and 1A area (up to WBJV 181), and altogether 29,303 filed samples have been submitted for assaying along with 2,250 standards and 2,193 blanks. A total of 25,911m has been drilled by PTM across Project 3 and altogether 6,062 samples have been submitted for assaying, including 590 standards and 577 blanks.

Drilling Recovery

All reef intersections that are sampled required a 100% core recovery. If less than 100% is recovered, the drilling company will re-drill, using a wedge to achieve the desired recovery.

Sample Quality and Sample Bias

The sampling methodology accords with the PTM protocol based on industry-accepted best practice. The quality of the sampling is monitored and supervised by a qualified geologist. The sampling is done in a manner that includes the entire economic unit together with hanging wall and footwall sampling. Sampling over-selection and sampling bias is eliminated by rotating the core so that the stratification is vertical and by inserting a cutline down the centre of the core and removing one side of the core only.

Width of Mineralized Zones - Resource Cuts

The methodology in determining the resource cuts is derived from the core intersections. Generally, the economic reefs are about 60cm thick. For both the Merensky Reef and UG2 Reef, the marker unit is the bottom reef contact, which is a chromite contact of less than a centimetre. The cut is taken from that chromite contact and extended vertically to accommodate most of the metal content. If this should result in a resource cut less than 80cm up from the bottom reef contact, it is extended further to 80cm. If the resource cut is thicker than the proposed 80cm, the last significant reported sample value above 80cm is added to determine the top reef contact.

In the case of the UG2 Reef, the triplets (if and where developed and within 30cm from the top contact) are included in the resource cut.

Sample Preparation, Laboratory Standards and Procedures

When samples are prepared for shipment to the analytical facility the following steps are followed:

- Samples are sequenced within the secure storage area and the sample sequences examined to determine if any samples are out of order or missing.
- The sample sequences and numbers shipped are recorded both on the chain-of-custody form and on the analytical request form.
- The samples are placed according to sequence into large plastic bags. (The numbers of the samples are enclosed on the outside of the bag with the shipment, waybill or order number and the number of bags included in the shipment).
- The chain-of-custody form and analytical request sheet are completed, signed and dated by the project geologist before the samples are removed from secured storage. The project geologist keeps copies of the analytical request form and the chain-of-custody form on site.
- Once the above is completed and the sample shipping bags are sealed, the samples may be removed from the secured area. The method by which the sample shipment bags have been secured must be recorded on the chain-of-custody document so that the recipient can inspect for tampering of the shipment.

The laboratories that have been used to date are Anglo American Analytical Laboratories, Genalysis (Perth, Western Australia), ALS Chemex (South Africa), and (currently) Set Point Laboratories (South Africa). Dr. B. Smee, a geochemist and a director of the Company, has accredited Set Point Laboratories.

Samples are received, sorted, verified and checked for moisture and dried if necessary. Each sample is weighed and the results are recorded. Rocks, rock chips or lumps are crushed using a jaw crusher to less than 10mm. The samples are then milled for 5 minutes in a Labtech Essa LM2 mill to achieve a fineness of 90% less than 106µm, which is the minimum requirement to ensure the best accuracy and precision during analysis.

Samples are analyzed for Pt (ppb), Pd (ppb), Rh (ppb) and Au (ppb) by standard 25g lead fire-assay using silver as requested by a co-collector to facilitate easier handling of prills as well as to minimize losses during the cupellation process. Although collection of three elements (Pt, Pd and Au) is enhanced by this technique, the contrary is true for rhodium (Rh), which volatilizes in the presence of silver during cupellation. Palladium is used as the co-collector for Rh analysis. The resulting prills are dissolved with aqua regia for Inductively Coupled Plasma (“ICP”) analysis.

After pre-concentration by fire assay and microwave dissolution, the resulting solutions are analyzed for Au and PGM’s by the technique of ICP-OES (inductively coupled plasma–optical emission spectrometry).

Quality Assurance and Quality Control (QA&QC) Procedures and Results

The Company protocols for quality control are as follows:

1. The project geologist oversees the sampling process.
2. The core yard manager oversees the core quality control.
3. The exploration geologists and the sample technicians are responsible for the actual sampling process.
4. The project geologist oversees the chain of custody.
5. The internal QP verifies both processes and receives the laboratory data.
6. The internal resource geologist and the database manager merge the data and produce the SABLE sampling log with assay values.
7. Together with the project geologist, the resource geologist determines the initial mining cut.
8. The external auditor verifies the sampling process and signs off on the mining cut.
9. The second external database auditor verifies the SABLE database and highlights QA&QC failures.
10. A Company technician runs the QA&QC graphs (standards, blanks and duplicates) and reports anomalies and failures to the internal QP.
11. The internal QP requests re-assay.
12. Check samples are sent to a second laboratory to verify the validity of data received from the first laboratory.

Standards

Analytical standards are used to assess the accuracy and possible bias of assay values for Platinum (Pt) and Palladium (Pd). Rhodium (Rh) and Gold (Au) were monitored where data for the standards were available, but standards were not failed on Rh and Au alone.

Assay testing refers to Round Robin programs that comprise collection and preparation of material of varying matrices and grades to provide homogeneous material for developing reference materials (standards) necessary for monitoring assaying. Assay testing is also useful in ensuring that analytical methods are matched to the mineralogical characteristics of the mineralization being explored. Samples are sent to a sufficient number of international testing laboratories to provide enough assay data to statistically determine a representative mean value and standard deviation necessary for setting acceptance/rejection tolerance limits.

Tolerance limits are set at two and three standard deviations from the Round Robin mean value of the reference material: a single analytical batch is rejected for accuracy when reference material assays are beyond three standard deviations from the certified mean, and any two consecutive standards within the same batch are rejected on the basis of bias when both reference material assays are beyond two standard deviations limit on the same side of the mean.

Blanks

The insertion of blanks provides an important check on the laboratory practices, especially potential contamination or sample sequence mis-ordering. Blanks consist of a selection of Transvaal Quartzite pieces (devoid of platinum, palladium, copper and nickel mineralization) of a mass similar to that of a normal core sample. The blank being used is always noted to track its behaviour and trace metal content. Typically the first blank is sample 5 in a given sampling sequence.

Duplicates

The purpose of having field duplicates is to provide a check on possible sample over-selection. The field duplicate contains all levels of error – core or reverse-circulation cutting splitting, sample size reduction in the prep lab, sub-sampling at the pulp, and analytical error.

Field duplicates were, however, not used on this project by very significant reason of the assemblage of the core. Firstly, BQ core has an outer diameter of only 36.5mm. Secondly, it is friable and brittle due to the chrome content making it extremely difficult to quarter the core. It usually ends up in broken pieces and not a solid piece of core.

Due to this problem, the laboratory was asked to regularly assay split pulp samples as a duplicate sample to monitor analytical precision.

Assay Validation

Although samples are assayed with reference materials, an assay validation program is being conducted to ensure that assays are repeatable within statistical limits for the styles of mineralization being investigated. It should be noted that validation is different from verification; the latter implies 100% repeatability. The validation program consists of the following:

- a re-assay program conducted on standards that "failed" the tolerance limits set at two and three standard deviations from the Round Robin mean value of the reference material;
- ongoing blind pulp duplicate assays at Set Point Laboratory;
- check assays conducted at an independent assaying facility (Genalysis).

Re-assay

This procedure entailed the following: the failed standard (2) together with standard (1) submitted before and standard (3) submitted after the particular failed standard (2), as well as all submitted field samples (pulps) in between standard (1) and standard (3) were resubmitted for re-assaying.

Sampling Procedures

The QA&QC practice of the Company is a process beginning with the actual placement of the borehole position (on the grid) and continuing through to the decision for the 3D economic intersection to be included in (passed into) the database. The values are also confirmed, as well as the correctness of correlation of reef/resource cut so that populations used in the geostatistical modeling are not mixed; this makes for a high degree of reliability in estimates of resources/reserves.

Quality control measures and data verification

All scientific information is manually captured and digitally recorded. The information derived from the core logging is manually recorded on A4-size logging sheets. After being captured manually, the data is electronically captured in a digital logging program (SABLE). For this exercise, the program has very specific requirements and standards. Should the entered data not be in the set format the information is rejected. This is the first stage of the verification process.

After the information is transferred into SABLE, the same information is transferred into a modelling package (DATAMINE). Modelling packages are rigorous in their rejection of conflicting data, e.g. the input is aborted if there are any overlaps in distances or inconsistencies in stratigraphic or economic horizon nomenclature. This is the second stage of verification.

Once these stages of digital data verification are complete, a third stage is generated in the form of section construction and continuity through DATAMINE. The lateral continuity and the packages of hanging wall and footwall stratigraphic units must align or be in a format consistent with the general geometry. If this is not the case, the information is again aborted.

The final stage of verification is of a geostatistical nature, where population distributions, variance and spatial relationships are considered. Anomalies in grade, thickness, and isopach or isocon trends are noted and questioned. Should inconsistencies and varying trends be un-explainable, the base data is again interrogated, and the process is repeated until a suitable explanation is obtained.

Security of Samples

Samples are not removed from secured storage location without completion of a chain-of-custody document; this forms part of a continuous tracking system for the movement of the samples and persons responsible for their security. Ultimate responsibility for the secure and timely delivery of the samples to the chosen analytical facility rests with the project geologist and samples are not transported in any manner without the project geologist's permission.

During the process of transportation between the project site and analytical facility the samples are inspected and signed for by each individual or company handling the samples. It is the mandate of both the supervising and project geologist to ensure secure transportation of the samples to the analytical facility. The original chain-of-custody document always accompanies the samples to their final destination.

The supervising geologist ensures that the analytical facility is aware of the Company standards and requirements. It is the responsibility of the analytical facility to inspect for evidence of possible contamination of, or tampering with, the shipment received from the Company. A photocopy of the chain-of-custody document, signed and dated by an official of the analytical facility, is faxed to the Company's offices in Johannesburg upon receipt of the samples by the analytical facility and the original signed letter is returned to the Company along with the signed analytical certificate(s).

The analytical facility's instructions are that if they suspect the sample shipment has been tampered with, they will immediately contact the supervising geologist, who will arrange for someone in the employment of the Company to examine the sample shipment and confirm its integrity prior to the start of the analytical process.

If, upon inspection, the supervising geologist has any concerns whatsoever that the sample shipment may have been tampered with or otherwise compromised, the responsible geologist will immediately notify the Company management in writing and will decide, with the input of management, how to proceed. In most cases analysis may still be completed although the data must be treated, until proven otherwise, as suspect and unsuitable as a basis for a news release until additional sampling, quality control checks and examination prove their validity.

Should there be evidence or suspicions of tampering or contamination of the sampling, the Company will immediately undertake a security review of the entire operating procedure. The investigation will be conducted by an independent third party, whose report is to be delivered directly and solely to the directors of the Company, for their consideration and drafting of an action plan. All in-country exploration activities will be suspended until this review is complete and the findings have been conveyed to the directors of the company and acted upon.

WBJV Project 1 – Mineral Resource and Mineral Reserve Estimates

Measured Mineral Resource (4E)	Cut-off 4E (cm.g/t)	Million Tonnes (Mt)	Grade 4E (g/t)	Resource Cut Width (m)	Tonnes PGE (4E) (t)	Metal Content (4E) (Moz)
Project 1 MR	300	5.491	7.94	1.08	43.599	1.402
Project 1 UG2	300	6.539	3.91	1.41	25.568	0.822
Total Measured	**300**	**12.030**	**5.75**	**1.26**	**69.173**	**2.224**

Prill Splits	Pt	Pt (g/t)	Pd	Pd (g/t)	Rh	Rh (g/t)	Au	Au (g/t)
Project 1 MR	64%	5.08	27%	2.14	4%	0.318	5%	0.398
Project 1 UG2	63%	2.46	26%	1.02	10%	0.39	1%	0.04

Indicated Mineral Resource (4E)	Cut-off 4E (cm.g/t)	Million Tonnes (Mt)	Grade 4E (g/t)	Resource Cut Width (m)	Tonnes PGE (4E) (t)	Metal Content (4E) (Moz)
Project 1 MR	300	10.814	7.75	1.09	83,809	2.695
Project 1 UG2	300	17.464	4.13	1.34	72,126	2.319
Total Indicated	**300**	**28.278**	**5.51**	**1.24**	**155,812**	**5.010**

Prill Splits	Pt	Pt (g/t)	Pd	Pd (g/t)	Rh	Rh (g/t)	Au	Au (g/t)
Project 1 MR	64%	4.96	27%	2.09	4%	0.31	5%	0.39
Project 1 UG2	63%	2.60	26%	1.08	10%	0.41	1%	0.04

Inferred Mineral Resource (4E)	Cut-off 4E (cm.g/t)	Million Tonnes (Mt)	Grade 4E (g/t)	Resource Cut Width (m)	Tonnes PGE (4E) (t)	Metal Content (4E) (Moz)
Project 1 MR	300	0.217	7.95	0.93	1,725	0.055
Project 1 UG2	300	2.311	4.47	1.34	10,330	0.332
Project 1A MR	300	1.871	6.48	1.15	12,124	0.390
Project 1A UG2	300	2.973	5.00	1.57	14,865	0.478
Total inferred	**300**	**7.372**	**5.30**	**1.37**	**39,072**	**1.256**

Prill Splits	Pt	Pt (g/t)	Pd	Pd (g/t)	Rh	Rh (g/t)	Au	Au (g/t)
Project 1 MR	64%	5.09	27%	2.15	4%	0.32	5%	0.40
Project 1 UG2	63%	2.82	26%	1.16	10%	0.45	1%	0.04
Project 1A MR	64%	4.15	27%	1.75	4%	0.26	5%	0.32
Project 1A UG2	63%	3.15	26%	1.30	10%	0.50	1%	0.05

MR- Merensky Reef; UG2- Upper Group 2 Reef.

The mineral resources reported as part of this Feasibility Study are updated from previously reported resources and filed in a technical report on SEDAR on October 30, 2007. The resource update was done to conform to a minimum 80cm resource cut which is in line withy that used by Anglo Platinum. Sampling practice, bore hole data, other factors and quality control and assurance are as reported previously. The resources are estimated by kriging of approximately 180 boreholes plus deflections and are reported under SAMREC. The categories are the same as CIM categories. The drill spacing on the Indicated Resource is approximately 250m or in some instances as close as 125 metres. In keeping with best practice in resource estimation, allowance is made for known and expected geological losses. The losses are estimated at 14% for the Merensky Reef and 23% for the UG2 Reef (this includes minor faults, dykes and potholes) (major faults, dykes, weathered zone and iron replacement areas have already been excluded by delineating areas with no reef) for the project resource area, and this has been considered in the resource estimate. The resulting resource model has been selected to be available for mining over a mineable cut.

The Qualified Person for the mineral resources reported above is Charles Muller of Minxcon.

The conversion to Mineral Reserves was undertaken at 3.5g/t stope cut-off grade, each stope has been fully diluted, comprising of a planned dilution and additional dilution for all aspects of the mining process. The inferred Resources are outside and in addition to the reserves. The Qualified Person for the Statement of Reserves is Tim Spindler.

Reserves – Converted from Measured and Indicated Resources

Merensky

Tonnes	4E	Content 4E	
t	g/t	tonnes	Moz
Merensky Proven			
6,706,482	5.55	37.3	1.198
Merensky Probable			
11,382,035	5.39	61.3	1.971
Total Merensky Mineral Reserves			
18,088,517	5.45	98.6	3.169

UG2

Tonnes	4E	Content 4E	
t	g/t	tonnes	Moz
UG2 Proven			
4,245,280	3.38	14.3	0.461
UG2 Probable			
7,051,016	3.42	24.1	0.775
Total UG2 Mineral Reserves			
11,296,296	3.40	38.4	1.236

The prill splits are the same percentages as for the Measured and Indicated Resources. The effective date of the Reserve estimate is June 30, 2008. The reserves are stated with certain risk factors including but not limited to normal and typical mining projects risks.

The Feasibility Study recommends a series of three simultaneous declines accessing the deposit with a mining rate of 140,000 tonnes per month, which provides 13 years of steady state tonnage production. First ore is reached by development 13 months from the commencement of underground work. Mining is only scheduled on the reserves. There are a further 1.26 million ounces of Inferred Resources in the Project 1 area which may represent additional production potential. The lower grade UG2 resources also provide some future opportunities. The mining and development plan includes conventional hand held drilling utilizing electrical drills and scraper winch cleaning similar to the successful conventional mining at the adjacent producing Bafokeng Rasimone Platinum Mine. Declines and primary access to the deposit is designed for development with mechanized equipment. Ore is initially to be hauled out of the mine with mechanized equipment and assisted then by conveyor from year 4 of mine life to end of mine life.

The Merensky Reef will be mined at widths between 93cm and 176cm at an average of 115cm and the UG2 Reef will be mined at widths between 105cm and 205cm at an average of 153cm.

At the recommended mining rate and modifying factors the mine plan generates approximately 235,000 – 271,000 4E in concentrate per year, of which approximately 160,000 ounces are platinum at full steady state ounce production for 9 years from Merensky Reeef horizon with a 22 year mine life.

The Feasibility Study design for metallurgical extraction utilizes a standard plant design similar to other nearby plants in the Bushveld Complex operating on the same reefs. The plant is designed with circuits that can process Merensky Reef, UG2 Reef or a blended feed. The Merensky Reef is the target of initial mining because of its higher grade and low chrome content.

Metallurgical testing and the published experience of the adjacent operating mine support a recovery rate estimate of 87.5% of platinum, palladium, rhodium and gold on the Merensky Reef and 82.5% on the UG2 Reef. Recoveries of 45% for nickel and 70% for copper are also modeled for the Merensky Reef. Ruthenium and Iridium are also included as minor contributors.

The mine infrastructure in the estimates includes the entire required surface infrastructure for a stand alone mine including water, power, underground access and ventilation to establish full production.

The Feasibility Study includes capital and operating estimates to produce concentrate but no capital is included for smelting or refining of this concentrate. The costs associated with smelting and refining of concentrate is modeled as a deduction from revenue arising from the sale of concentrate to others. While the terms of agreements governing the sale of such concentrates within the South African PGM industry are all confidential the Qualified Person believes deductions used in the Feasibility Study financial model are indicative of deductions current in that industry. The party to who concentrate will be sold and the terms of this potential sale are yet to be determined. Anglo Platinum has the right of first refusal to purchase all of the ore or concentrate produced by the WBJV on commercial terms. Estimated deductions in the Feasibility Study include penalties and shipment charges and total approximately 15.16% from gross concentrate sales revenue. Should Anglo Platinum decide to purchase the concentrate produced by the Project 1 mine the structure of such purchase would be governed by the pro-forma off-take agreement included in the WBJV Agreement, however the commercial terms will be subject to negotiation. Approaches will now be made to Anglo Platinum and other parties in an attempt to secure an off-take agreement and the terms thereof based on the Feasibility Study production profile.

Financial Details

The results of the Feasibility Study are a strong modeled return at a 20.08% Internal Rate of Return "IRR" (pre-tax) Base Case, using 3 year trailing metal prices, calculated on the monthly averages including US$1,295 per ounce platinum for the 235,000 – 271,000 4E concentrate ounces per year. Using recent metal prices, including US$2,035 per ounce platinum, the IRR for the project (pre-tax) is 34%. Recent metals prices are taken as the average daily price for the month of June 2008 to June 23, 2008 for the base metals and June 24, 2008 for the platinum group metals. Net Present Value is calculated at September 2008 in June 2008 terms. The model does not include escalation due to inflation of costs or metal prices.

Average life-of-mine cash operating costs to produce concentrate is estimated at R451 per tonne (US$56.38) of ore or (R3,504) US$438 per 4E ounce on a life of mine basis. The Merensky Reef layer represents the first 15 years of production and the basket price per 4E ounce is modeled at US$1,168 (3 year trailing prices) and US$1,854 (recent prices). The UG2 layer represents the balance of the production. The model includes a subsequent average 15.16% discount from the metal price to estimate the smelter pay discount. Operating margin life of mine on three year trailing 4E metal prices is approximately US$739 per ounce or 63% of revenue and on recent prices it is US$1,355 per ounce or 76%.

The project has an estimated life of 22 years with 9 years at a steady state of production of 235,000 to 271,000 ounces per year. The capital cost for the mine and concentrator complex are R4.055 billion or US$507 million for peak funding and R5.474 billion (US$684 million) for life of mine funding. The capital costs estimate includes R506 million (US$63.3 million) for the capital costs for self-generation of the electrical requirements of the project to the end of 2012 at full production levels. This includes the entire infrastructure for power including diesel storage. Eskom has indicated that an allocation of 2MW should be available for the construction phase of the project, and this has been assumed in the Feasibility Study. A contingency of R467 million or US$58.4 million is included in the overall capital estimate.

A sensitivity table is presented below. The payback period is approximately 4.5 years post peak funding using trailing metal prices and 2.5 years on recent metals prices.

Based on three year trailing average metals prices at mid November 2008, current exchange rates and a probable decrease of general input costs since the publication of the Company's Feasibility Statement on July 7, 2008, no amendment has been made to the Company's statement of reserves and resources. However, should current market conditions and commodity prices worsen and/or persist for a prolonged period of time, a reassessment of the Company's stated reserves may be required.

Metal Prices

METAL PRICES & EXCHANGE RATE		Case A	Case B
		3 Year Trailing Prices	Recent Prices
Platinum	(US$/oz)	$1,295	$2,035
Palladium	(US$/oz)	$334	$443
Rhodium	(US$/oz)	$5,386	$9,686
Gold	(US$/oz)	$663	$884
Copper	(US$/tonne)	$6,666	$8,010
Nickel	(US$/tonne)	$27,236	$22,125
Rand/US$		8.00	8.00

FINANCIAL PARAMETERS AND INDICATORS				
Basket Prices 4E	**R/kg**	**US$/oz**	**R/kg**	**US$/oz**
Pt, Pd, Rh, Au	**Case A**	**Case A**	**Case B**	**Case B**
Basket Price Merensky Reef	R300,306	$1,168	R476,770	$1,854
Basket Price UG2 Reef	R372,414	$1,448	R610,779	$2,375

Smelter Discount

Smelter and Refinery Discount	Smelter Discount	US$/oz Case A	US$/oz Case B
Reduction in Basket Price MR	15.16%	$177	$281
Reduction in Basket Price UG2	15.16%	$220	$360
Received Basket Price for MR	15.16%	$991	$1,573
Received Basket Price for UG2	15.16%	$1,228	$2,015

Statutory Declaration – Royalty & Taxes

TAXES		
Government Royalty Payment: PGM	(% of Revenue)	3%
Government Royalty Payment: Base Metals	(% of Revenue)	2%
Company Tax	(% of Profit)	28%
Secondary Tax on Companies (STC)	(% of profit)	10%

Summary Capital Cost

CAPITAL COST	Rand	US$
Peak funding Case A	4,054,636,000	506,829,000
Peak funding Case B	3,889,116,000	486,140,000
Total Life of Mine Capital Costs	5,473,575,613	684,196,952

Summary Working Costs

WORKING COSTS EXCLUDING SMELTER DISCOUNT	US$/4E oz	R / tonne milled
Cost during ramp up including power generation	$633	R815
Cost at steady state grid power post 2012	$425	R432
Life of Mine Average	$438	R451

Summary IRR and NPV Results

EVALUATION (NET PRESENT VALUE)		NPV 5% Discount	NPV 10% Discount	NPV 12.5% Discount
3 Year Trailing Price (Case A)	R (Million)	7,896	3,512	2,201
(Pre-tax)	US$ (Million)	987	439	275
	IRR	20.08%	20.08%	20.08%
3 Year Trailing Price (Case A)	R (Million)	4,625	1,738	867
(Post Tax)	US$ (Million)	578	217	108
	IRR	16.12%	16.12%	16.12%
Recent Prices (Case B)	R (Million)	18,392	9,932	7,353
(Pre-tax)	US$ (Million)	2,299	1,241	919
	IRR	34.00%	34.00%	34.00%
Recent Prices (Case B)	R (Million)	11,202	5,823	4,175
(Post Tax)	US$ (Million)	1,400	728	522
	IRR	27.73%	27.73%	27.73%

Sensitivity to 3-year trailing Metal Prices

Parameter	Change in Parameter	Change in Parameter	Change in Parameter
PGM Basket Price	-20%	0%	20%
IRR (pre-tax)	13.0%	20.1%	26.2%
NPV (5% Discount) R(M)	R3,763	R7,896	R12,030
US$ (M)	$470	$987	$1,504
Opex	-20%	0%	20%
IRR (after tax)	22.9%	20.1%	17.2%
NPV (5% Discount) R (M)	R 9,512	R ,896	R6,281
US$ (M)	$ 1,189	$ 87	$785
Capex	-20%	0%	20%
IRR (after tax)	24.3%	20.1%	16.9%
NPV (5% Discount) R (M)	R8,826	R7,896	R6,967
US$ (M)	$1,103	$987	$871

POST TAX

Parameter	Change in Parameter	Change in Parameter	Change in Parameter
PGM Basket Price	-20%	0%	20%
IRR (post-tax)	10.2%	16.1%	21.2%
NPV (5% Discount) R (M)	R1,986	R4,625	R7,228
US$ (M)	$248	$578	$903
Opex	-20%	0%	20%
IRR (post-tax)	18.5%	16.1%	13.7%
NPV (5% Discount) R (M)	R5,653	R4,625	R3,590
US$ (M)	$707	$578	$449
Capex	-20%	0%	20%
IRR (post-tax)	19.7%	16.1%	13.4%
NPV (5% Discount) R (M)	R5,274	R4,625	R3,967
US$ (M)	$659	$578	$496

Social Development and Responsibilities

Feedback from the public consultation processes for the environmental assessment and social and labour plan development have been constructive and positive. The mine capital development plan includes a significant investment in training through the life of mine, allocated to a social and labour plan to ensure maximum value from the project for all stakeholders including local residents. Based on interaction with the community, a skills and needs assessment, and our training plans the project is planning for 2,700 jobs with a target of at least 30% from the local communities. The WBJV is committed to a strong community involvement in the project particularly as Wesizwe Platinum is a 26% partner in the project and their largest shareholder is one of the communities near the mine. The mine's financial estimates include an accumulated charge per tonne to create a fund for eventual closure of the mine projected in 2031.

Exploration and Development

Our business is conducted primarily in South Africa, and to a lesser extent, in Ontario, Canada. As at the date hereof, our WBJV Project in South Africa constitutes our only material property which has an outlined mineral reserve estimate. Exploration programs and proposed development for projects within the WBJV are described above.

Planned exploration activities for fiscal 2009 on projects outside of the WBJV include further additional soil sampling, geophysical surveys, mapping and drilling on the War Springs Project on the North Limb of the Bushveld Complex in South Africa. Exploration work on the War Springs project will be subject to funding based on a partnering agreement currently under negotiation. The Company also has several new project areas being assembled or acquired on or near the Bushveld Complex of South Africa as a result of generative work conducted in 2008. Exploration work on these areas will commence only after title, permits and funding are established. Limited drilling programs are also being planned for the Company's Lac Des Iles area projects in Ontario, Canada.

Dividends

The Company has not declared nor paid dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

Description of Capital Structure

Our authorized capital consists of an unlimited number of common shares without par value, of which 67,624,717 common shares were issued and outstanding as at November 1, 2008. All of the issued common shares are fully paid. The Company does not own any of its common shares.

Shareholders are entitled to one vote for each share on all matters to be voted on by the shareholders. Each common share is equal to every other common share and all common shares participate equally on liquidation, dissolution or winding up of our company, whether voluntary or involuntary, or any other distribution of our assets among our shareholders for the purpose of winding up our affairs after we have paid out our liabilities. The shareholders are entitled to vote for each share held and are entitled to receive *pro rata* such dividends as may be declared by the board of directors out of funds legally available therefore and to receive *pro rata* the remaining property of our company upon dissolution. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights, and no provisions for redemption, purchase or cancellation, surrender, sinking fund or purchase fund. Provisions as to the creation, modification, amendment or variation of such rights or such provisions are contained in the *Business Corporations Act* (British Columbia) (the "BCA") .

Market for Securities

Trading Price and Volume

The Company's common shares are listed on the Toronto Stock Exchange under the symbol "PTM" and on the NYSE Alternext under the symbol "PLG".

The following tables provide information as to the high, low trading prices of the Company's shares during the 12 months of the most recently completed financial year as well as the volume of shares traded for each month:

Toronto Stock Exchange - PTM

Month	***High***	***Low***	***Volume***
September, 2007	$4.03	$3.30	1,755,469
October, 2007	$4.46	$3.45	2,830,729
November, 2007	$4.29	$3.30	2,944,727
December, 2007	$4.15	$3.25	1,386,319
January, 2008	$4.20	$2.80	1,142,868
February, 2008	$3.90	$3.30	2,745,897
March, 2008	$3.54	$2.76	863,677
April, 2008	$3.15	$2.19	1,471,484
May, 2008	$3.28	$2.30	1,119,522
June, 2008	$3.25	$2.60	710,815
July, 2008	$3.15	$2.67	3,042,859
August, 2008	$3.04	$1.76	2,455,571

NYSE Alternext US LLC (formerly the American Stock Exchange) **- PLG**

Month	***High***	***Low***	***Volume***
September, 2007	$4.25	$3.10	356,300
October, 2007	$5.00	$3.25	824,800
November, 2007	$4.78	$3.30	563,725
December, 2007	$4.25	$3.20	691,329
January, 2008	$4.43	$2.27	861,190
February, 2008	$4.01	$3.38	995,195
March, 2008	$3.71	$2.65	1,178,628
April, 2008	$3.101	$2.15	656,694
May, 2008	$3.32	$2.23	580,731
June, 2008	$3.31	$2.59	481,142
July, 2008	$3.45	$2.70	590,021
August, 2008	$2.949	$1.77	651,294

Prior Sales

None

Escrowed Securities

There are no securities of the Company held in escrow.

Directors and Officers

Name & Position	**Principal Occupation or Employment**	**Director since**
R. MICHAEL JONES President, CEO and Director British Columbia, Canada	Professional Geological Engineer President and Chief Executive Officer of the Company and a predecessor company from 2000 to present.	February 18, 2002
FRANK R. HALLAM (3) CFO, Secretary and Director British Columbia, Canada	Chartered Accountant Chief Financial Officer of the Company and the founder of a predecessor company from 1983 to present.	February 18, 2002
BARRY SMEE (1) (2)(3) Director British Columbia, Canada	Geologist and Geochemist President of Smee & Associates, a private consulting, geological and geochemistry company, since 1990.	February 18, 2002
IAIN McLEAN (1) (2)(3) Director and Corp. Consultant to Co. British Columbia, Canada	General Management Consultant. Former CEO of Municipal Software Corporation of Canada, a software development company based in Victoria BC. Former Vice President and General Manager of Total Care Technologies, a division of Ad Opt Technologies Inc, a medical software development company.	February 18, 2002
ERIC CARLSON (1) Director British Columbia, Canada	Chartered Accountant President and Chief Executive Officer of Anthem Properties Corp., an investment group specializing in the acquisition and management of residential and office properties in Canada and the United States, since July 1994.	February 18, 2002
PETER BUSSE COO British Columbia, Canada	Professional Mining Engineer Chief Operating Officer of the Company since October 2007. Former GM Procon Group, a contract mining development company, 2006 to 2007. Former Mine Manager, Placer Dome, Campbell Mine, 2002 to 2006.	N/A

Notes:
(1) Member of the Audit Committee
(2) Member of Compensation Committee
(3) Member of Governance and Nominating Committee

As of November 28, 2008, directors and officers of the Company own or control approximately 2,325,925 common shares of the Company representing approximately 3.44% of its issued and outstanding shares.

The term of office for each director of the Company expires at the annual general meeting of shareholders where they can be nominated for re-election.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, or during the ten years preceding the date of this Annual Information Form has been, a director, chief executive officer or chief financial officer of any company that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, or during the ten years preceding the date of this Annual Information Form has been, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities to affect materially control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of British Columbia the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the laws of British Columbia shall govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. The directors and officers of the Company are not aware of any such conflicts of interests.

Code of Ethics

The Company has adopted a Code of Business Conduct (the "Code") that applies to all of its directors, officers and employees, including the Chief Executive Officer and Chief Financial Officer. The Code includes provisions covering conflicts of interest, ethical conduct, compliance with applicable government laws, rules and regulations, disclosure in reports and documents filed with, or submitted to, the SEC, reporting of violations of the Code and accountability for adherence to the Code. A copy of the Code is posted on the Company's website, at www.platinumgroupmetals.net .

Committees of the Board of Directors

Audit Committee

The Audit Committee is responsible for reviewing the Company's financial reporting procedures, internal controls and the performance of the Company's external auditors. See Audit Committee Charter attached herein as Schedule "A".

Audit Committee Composition and Background

The Audit Committee is comprised of Eric Carlson (Chairman), Iain McLean and Barry Smee. All three members of the Audit Committee are independent and financially literate, meaning they are able to read and understand the Company's financial statements and to understand the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. In addition to each member's general business experience, the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee are set forth below:

Eric H. Carlson, B.Comm, Chartered Accountant - Mr. Carlson has over 19 years of real estate investment, development and management experience and he has been the President of Anthem Properties Corp. since July 1994. Anthem is an investment group that specializes in the acquisition and management of Class B retail, multi family residential and office properties in high growth markets in Canada and the USA.

Iain D. C. McLean, B.Sc.Eng (ARSM), M.B.A., MIMM. C. Eng. - Experience as senior executive in several public companies managing operations, listings, capital raising, etc. Also has experience in underground mining operations in the UK and South Africa.

Dr. Barry W. Smee, Ph.D., P.Geo - Professional Geologist/Geochemist with 35 years in mineral exploration as quality control and laboratory audit expert.

The Board of Directors has determined that each of Mr. McLean and Mr. Carlson is an audit committee financial expert within the meaning of the regulations promulgated by the SEC and is independent within the meaning of the American Stock Exchange Company Guide. Mr. McLean has an M.B.A. from Harvard Business School and a B.Sc (Eng.) in Mining from the Imperial College of Science and Technology (London, England). In addition to his education, Mr. McLean has gained relevant experience acting as the Chief Operating Officer of several private technology companies since 1995 and as the Vice President of Operations at Ballard Power Systems from 1993 to 1995. Mr. Carlson is a Chartered Accountant and holds a Bachelor of Commerce degree from the University of British Columbia.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the exemptions set out in Sections 2.4, 3.2, 3.4 or 3.5 of National Instrument 52-110 *Audit Committees* ("NI 52-110"), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. No non-audit services were approved pursuant to a de minimis exemption to the pre-approval requirement.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Pre-Approval Policies and Procedures

The Company's audit committee is authorized to review the performance of the Company's independent auditors and pre-approves all audit and non-audit services to be provided to the Company by its independent auditor. Prior to granting any pre-approval, the audit committee must be satisfied that the performance of the services in question is not prohibited by applicable securities laws and will not compromise the independence of the independent auditor. All non-audit services performed by the Company's auditor for the fiscal year ended August 31, 2008 and August 31, 2007 have been pre-approved by the audit committee.

Independent Auditor's Fees

The aggregate fees billed by the Company's current independent auditor, PricewaterhouseCoopers LLP.

	Year ended August 31, 2008	**Year ended August 31, 2007**
Audit Fees	$213,000	$200,000
Audit-Related Fees (1)	$45,000	$15,160
Tax Fees (2)	$ 10,000	$ Nil
All Other Fees (3)	$ 38,000	$ Nil
Total	$ 306,000	$ 215,160

Notes:

(1) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements, which are not included under the heading "Audit Fees".

(2) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.

(3) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

Legal Proceedings and Regulatory Actions

There are no pending or material proceedings to which our company is or is likely to be a party or of which any of our properties is or is likely to be the subject.

Interest of Management and Others in Material Transactions

No director, executive officer or principal shareholder of the Company, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this Annual Information Form that has materially affected or will materially affect the Company.

Transfer Agents and Registrars

The Company's transfer agent and registrar is:

Computershare Investor Services Inc.
3 rd floor – 510 Burrard Street
Vancouver, British Columbia
Canada V6C 3B9

Material Contracts

There are no contracts of the Company other than contracts entered into in the ordinary course of business of the Company and the Western Bushveld Joint Venture Agreement (See "General Development of the Company – Three Year History"), that are material to the Company and that were entered into within the most recently completed financial year of the Company or before the most recently completed financial year of the Company and which are still in effect.

Interests of Experts

Charles J. Muller, Minxcon (Pty) Ltd., Gordon I. Cunningham, Timothy Spindler, Turnberry Projects (Pty) Ltd., Byron Stewart, Wardrop Engineering Inc., David Gray, Snowdon Mining Industry Consultants Inc., Adam Miethke, Ken Lomberg and Coffey Mining (South Africa) (Pty) Ltd. have been named as having prepared reports described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by the Company during, or relating to, the Company's most recently completed financial year.

None of the aforementioned firms or persons held any securities or property of the Company or any associate or affiliate of the Company when they prepared the reports referred to above or following the preparation of such reports nor did they receive any direct or indirect interest in any securities or other property of the Company or any associate or affiliate of the Company in connection with the preparation of the reports (other than compensation in cash for their services).

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

PricewaterhouseCoopers LLP is the independent auditor of the Company within the meaning of the Rules of Professional Conduct of the Institute of the Chartered Accountants of British Columbia.

Additional Information

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including details as to directors' and officers' remuneration, principal holders of the Company's shares, options to purchase Company shares and certain other matters, is contained in the Company's Management Information Circular for the Annual General Meeting of shareholders to be held on January 13, 2009. The Circular will be made available on SEDAR concurrent with the delivery of the document to the Company's shareholders.

Additional financial information is provided in the Company's 2008 Annual Report containing the Management's Discussion and Analysis and the Consolidated Financial Statements for the year ended August 31, 2008.

Copies of the above may be obtained, when available, on the Company's website www.platinumgroupmetals.net ; on the SEDAR website at www.sedar.com ; or by calling the Company's investor relations personnel at 604-899-5450.

Schedule “A”

PLATINUM GROUP METALS LTD.
(the “Corporation”)

AUDIT COMMITTEE CHARTER

1. **General**

The Board of Directors of the Corporation (the “Board”) has established an Audit Committee (the “Committee”) to assist the Board in fulfilling its oversight responsibilities. The Committee will review and oversee the financial reporting and accounting process of the Corporation, the system of internal control and management of financial risks, the external audit process, and the Corporation’s process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as the Corporation’s business, operations and risks.

The Corporation’s independent auditor is ultimately accountable to the Board and to the Committee. The Board and Committee, as representatives of the Corporation’s shareholders, have the ultimate authority and responsibility to evaluate the independent auditor, to nominate annually the independent auditor to be proposed for shareholder approval, to determine appropriate compensation for the independent auditor, and where appropriate, to replace the outside auditor. In the course of fulfilling its specific responsibilities hereunder, the Committee must maintain free and open communication between the Corporation’s independent auditors, Board and Corporation management. The responsibilities of a member of the Committee are in addition to such member’s duties as a member of the Board.

2. **Members**

The Board will in each year appoint a minimum of three (3) directors as members of the Committee. All members of the Committee shall be non-management directors and shall be independent within the meaning of all applicable U.S. and Canadian securities laws and the rules of the Toronto Stock Exchange and the American Stock Exchange, unless otherwise exempt from such requirements.

None of the members of the Committee may have participated in the preparation of the financial statements of the Corporation or any current subsidiary of the Corporation at any time during the past three years.

All members of the Committee shall be able to read and understand fundamental financial statements and must be financially literate within the meaning of all applicable U.S. and Canadian securities laws or become financially literate within a reasonable period of time following his or her appointment. Additionally, at least one member of the Committee shall be financially sophisticated and shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, which may include being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities.

3. **Duties**

The Committee will have the following duties:

- Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review any legal matters which could significantly impact the financial statements as reported on by the Corporation’s counsel and engage outside independent counsel and other advisors whenever as deemed necessary by the Committee to carry out its duties.
- Review the Corporation’s annual and quarterly financial statements, including Management’s Discussion and Analysis with respect thereto, and all annual and interim earnings press releases, prior to public dissemination, including any certification, report, opinion or review rendered by the external auditors and determine whether they are complete and consistent with the information known to Committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.
- Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- Review audit issues related to the Corporation’s material associated and affiliated companies that may have a significant impact on the Corporation’s equity investment.
- Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- Evaluate the fairness of the interim financial statements and related disclosures including the associated Management’s Discussion and Analysis, and obtain explanations from management on whether:
  - actual financial results for the interim period varied significantly from budgeted or projected results;
  - generally accepted accounting principles have been consistently applied;
  - there are any actual or proposed changes in accounting or financial reporting practices; or
  - there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.
- Review the external auditors’ proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
- Recommend to the Board an external auditor to be nominated for appointment by the Corporation’s shareholders. Subject to the appointment of the Corporation’s external auditor by the Corporation’s shareholders, the Committee will be directly responsible for the appointment, compensation, retention and oversight of the work of external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. The Corporation’s external auditor shall report directly to the Committee.
- Review with the Corporation’s management, on a regular basis, the performance of the external auditors, the terms of the external auditor’s engagement, accountability and experience.
- Pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditor.
- Consider at least annually the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services obtained by the Corporation, including:
  - insuring receipt from the independent auditor of a formal written statement delineating all relationships between the independent auditor and the Company, consistent with the Independence Standards Board Standard No. 1 and related Canadian regulatory body standards;
  - considering and discussing with the independent auditor any relationships or services, including non-audit services, that may impact the objectivity and independence of the independent auditor; and
  - as necessary, taking, or recommending that the Board take, appropriate action to oversee the independence of the independent auditor.
- Ensure that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements, other than the public disclosure contained in the Corporation’s financial statements, Management’s Discussion and Analysis and annual and interim earnings press releases; and must periodically assess the adequacy of those procedures.
- Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- Review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- Establish a procedure for:
  - the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
  - the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.
- Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately in the absence of management.
- Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

  Review and oversee all related party transactions.

-
- Perform other functions as requested by the Board.
- If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.
- Review and re-assess annually the adequacy of this Charter and recommend updates to this charter; receive approval of changes from the Board.
- With regard to the Corporation's internal control procedures, the Committee is responsible to:
  - review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those related to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management; and
  - review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate; and
  - review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
- periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- Comply with Rule 10A – 3(b)(2), (3), (4) and (5) under the Securities Exchange Act of 1934.

4. Chair

The Committee will in each year appoint the Chair of the Committee from among the members of the Committee. In the Chair's absence, or if the position is vacant, the Committee may select another member as Chair. The Chair will not have a casting vote.

5. Meetings

The Committee will meet at least once every calendar quarter. Special meetings shall be convened as required. Notices calling meetings shall be sent to all members of the Committee, all Board members and the external auditor. The external auditor of the Corporation must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Committee. At the request of the external auditor, the Committee must convene a meeting of the Committee to consider any matter that the external auditor believes should be brought to the attention of the Board or shareholders of the Corporation.

The Committee may invite such other persons (e.g. without limitation, the President or Chief Financial Officer) to its meetings, as it deems appropriate.

6. Quorum

A majority of members of the Committee, present in person, by teleconferencing, or by videoconferencing, or by any combination of the foregoing, will constitute a quorum.

7. Removal and Vacancy

A member may resign from the Committee, and may also be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to be a director of the Corporation. The Board will fill vacancies in the Committee by appointment from among the directors in accordance with Section 2 of this Charter. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members will exercise all of the Committee's powers.

8. Authority

The Committee may:

- engage independent counsel and other advisors as it determines necessary to carry out its duties.
- set and pay the compensation for any advisors employed by the Committee; and
- communicate directly with the internal and external auditors.

The Committee may also, within the scope of its responsibilities, seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice, and to ensure the attendance of Corporation officers at meetings as appropriate.

9. Secretary and Minutes

The Chair of the Committee will appoint a member of the Committee or other person to act as Secretary of the Committee for purposes of a meeting of the Committee. The minutes of the Committee meetings shall be in writing and duly entered into the books of the Corporation, and will be circulated to all members of the Board.

10. Funding

The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of (a) compensation to any registered public accounting firm engaged for the purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; (b) compensation to any advisers employed by the Committee; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carry out its duties.

Schedule "B"

Glossary of Mining Terms

The following is a glossary of certain mining terms used in this Annual Information Form.

"AEM" is an abbreviation for airborne electromagnetic.

"Ag" refers to silver.

"anomalous" refers to a sample or location that either (i) the concentration of an element(s) or (ii) geophysical measurement is significantly different from the average background values in the area.

"anomaly" refers to the geographical area corresponding to anomalous geochemical or geophysical values.

"anorthosite" is a rock comprised of largely feldspar minerals and minor mafic iron-magnesium minerals.

"As" refers to arsenic.

"assay" is an analysis to determine the quantity of one or more elemental components.
"Au" refers to gold.

"BIC" is an abbreviation for the Bushveld Igneous Complex in South Africa, the source of most of the world's platinum and is a significant producer of palladium and other platinum group metals (PGM's) as well as chrome.

"breccia" is a rock type with angular fragments of one composition surrounded by rock of another composition or texture.

"bulk placer sampling" (in the context of placer properties) refers to the process of obtaining individual gravel samples in the order of 5 to 15 cubic yards using an excavating machine and running the samples through a concentrating device to measure the placer gold content per cubic yard.

"chalcopyrite" is a copper sulfide mineral.

"channel sample" is a surface sample which has been collected by continuous sampling across a measured interval, and is considered to be representative of the area sampled.

"chargeability" is a measure of electrical capacitance of a rock that may indicate the presence of disseminated sulfide minerals but not all chargeability features are caused by such sulfides.

"cm" refers to centimetres.

"crosscut" is a mine working, which is driven horizontally and at right angles to an adit, drift or level.

"Cu" refers to copper.

"deposit" is a mineralized body, which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures. Such a deposit does not qualify as a commercially mineable ore body or as containing ore reserves, until final legal, technical, and economic factors have been resolved.

"diamond drill" is a type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of the long hollow rods through which water is pumped to the cutting face. The drill cuts a core of rock that is covered in long cylindrical sections, an inch or more in diameter.

"early-stage exploration property" refers to a property that has been subjected to a limited amount of physical testing and systematic exploration work with no known extensive zone of mineralization.

"EM" is an abbreviation for electromagnetic.

"exploration stage" refers to the stage where a company is engaged in the search for minerals deposits (reserves), which are not in either the development or production stage.

"fault" is a fracture in a rock across which there has been displacement.

"fracture" is a break in a rock, usually along flat surfaces.

"gabbro" is an intrusive rock comprised of a mixture of mafic minerals and feldspars.

"gossanous" refers to a rock outcrop that is strongly stained by iron oxides.

"grab sample" is a sample of selected rock chips collected from within a restricted area of interest.

"grade" is the concentration of an ore metal in a rock sample, given either as weight percent for base metals (i.e., Cu, Zn, Pb) or in grams per tonne (g/t) or ounces per short ton (oz/t) for precious or platinum group metals.

"g/t" refers to grams per tonne.

"highly anomalous" is an anomaly, which is in approximately the 90^{th} percentile of the sample or measurement population.

"ICP" refers to inductively coupled plasma, a laboratory technique used for the quantitative analysis of samples (soil, rock, etc.) taken during field exploration programs.

"indicated mineral resource" is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

"inferred mineral resource" is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

"intrusive" is a rock mass formed below earth's surface from molten magma, which was intruded into a pre-existing rock mass and cooled to solid.

"IP survey" refers to induced polarization survey, a geophysical method of exploring an area in which physical properties relating to geology are used.

"kriging" is the numerical modelling by applying statistics to resource calculations (or other earth sciences problems). The method recognizes that samples are not independent and that spatial continuity between samples exists.

"lode mining" refers to mining in solid rock.

"mafic" is a rock type consisting of predominantly iron and magnesium silicate minerals with little quartz or feldspar minerals.

"magmatic" means pertaining to magma, a naturally occurring silicate melt, which may contain suspended silicate crystals, dissolved gases, or both; magmatic processes are at work under the earth's crust.

"measured mineral resource" is that part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

"mid-stage exploration property" is one hosting a known zone of mineralization, which has been subjected to a limited amount of physical testing and systematic exploration work.
"mineralization" refers to minerals of value occurring in rocks.
"mineral reserve" is the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when material is mined.

"mineral resource" is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.

"Mo" refers to molybdenum, a hard, silver-white metal.

"National Instrument 43-101" NI 43-101 entitled "Standards if Disclosure for Mineral Projects" sets out Canadian securities reporting guidelines for mining companies.
"Ni" is an abbreviation for nickel.

"outcrop" refers to an exposure of rock at the earth's surface.

"overburden" is any material covering or obscuring rocks from view.

"Pd" refers to palladium.

"PGM" refers to platinum group metals, i.e. platinum, palladium, rhodium and gold.

"PGE" refers to mineralization containing platinum group elements, i.e. platinum, palladium, rhodium and gold.

"placer mining" is the mining of unconsolidated material, which overlies solid rock (bedrock).

“ppb” refers to parts per billion.

"ppm" refers to parts per million.

“probable mineral reserve” is the economically mineable part of an indicated, and in some circumstances a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

“proven mineral reserve” is the economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified
"Pt" refers to platinum.

“pyrite” is an iron sulfide mineral.

“pyroxenite” refers to a relatively uncommon dark-coloured rock consisting chiefly of pyroxene; pyroxene is a type of rock containing sodium, calcium, magnesium, iron, titanium and aluminum combined with oxygen.

“quartz” is a common rock-forming mineral (SiO_2).

"Rh" refers to rhodium, a platinum metal. Rhodium shares some of the notable properties of platinum, including its resistance to corrosion, its hardness and ductility. Wherever there is platinum in the earth, there is rhodium as well. In fact, most rhodium is extracted from a sludge that remains after platinum is removed from the ore. A high percentage of rhodium is also found in certain nickel deposits in Canada.

“room and pillar mining” is a method of mining flat-lying ore deposits in which the mined-out areas, or rooms, are separated by pillars of approximately the same size.

“stope” is an underground excavation from which ore has been extracted.

“tailings” is the material that remains after all metals considered economic have been removed from ore during milling.

“ultramafic” refers to types of rock containing relatively high proportions of the heavier elements such as magnesium, iron, calcium and sodium; these rocks are usually dark in colour and have relatively high specific gravities.

“VLF” means very low frequency.

Platinum Group Metals Ltd.
(Exploration and Development Stage Company)

Consolidated Financial Statements
For the year ended August 31, 2008

Filed: December 1, 2008

A copy of this report will be provided to any shareholder who requests it.

Management's responsibility for the Financial Statements

The preparation and presentation of the accompanying consolidated financial statements, Management's Discussion and Analysis ("MD&A") and all financial information in the Annual Report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Financial statements, by nature are not precise since they include certain amounts based upon estimates and judgments. When alternative methods exist, management has chosen those it deems to be the most appropriate in the circumstances. The financial information presented elsewhere in the Annual Report is consistent with that in the consolidated financial statements.

Management, under the supervision of and the participation of the Chief Executive Officer and the Chief Financial Officer, have a process in place to evaluate disclosure controls and procedures and internal control over financial reporting as required by Canadian and U.S. securities regulations. We, as Chief Executive Officer and Chief Financial Officer, will certify our annual filings with the CSA and SEC as required in Canada by Multilateral Instrument 52-109 and in the United States as required by the Securities Exchange Act of 1934.

The board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee which is independent from management.

The Audit Committee is appointed by the Board of Directors and reviews the consolidated financial statements and MD&A; considers the report of the external auditors; assesses the adequacy of our internal controls, including management's assessment described below; examines and approves the fees and expenses for the audit services; and recommends the independent auditors to the Board for the appointment by the shareholders. The independent auditors have full and free access to the Audit Committee and meet with it to discuss their audit work, our internal control over financial reporting and financial reporting matters. The Audit Committee reports its findings to the Board for consideration when approving the consolidated financial statements for issuance to the shareholders and management's assessment of the internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting.

Management has assessed the effectiveness of our internal control over financial reporting as of August 31, 2008 using criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of August 31, 2008.

//signed//
R. Michael Jones
Chief Executive Officer

//signed//
Frank Hallam
Chief Financial Officer

November 21, 2008

Independent Auditors' Report

To the Shareholders of Platinum Group Metals Ltd.

We have completed integrated audits of **Platinum Group Metals Ltd.** 's 2008 and 2007 consolidated financial statements and of its internal control over financial reporting as at August 31, 2008. Our opinions, based on our audits, are presented below.

Consolidated financial statements

We have audited the accompanying consolidated balance sheets of Platinum Group Metals Ltd. as at August 31, 2008 and 2007, and the related consolidated statements of operations and comprehensive income, shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits of the Company's financial statements in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. A financial statement audit also includes assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as at August 31, 2008 and 2007 and the results of its operations and its cash flows for each of the years then ended in accordance with Canadian generally accepted accounting principles.

The consolidated financial statements as at August 31, 2006 and the results of its operations and its cash flows for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated November 8, 2006.

Internal control over financial reporting

We have also audited Platinum Group Metals Ltd.'s internal control over financial reporting as at August 31, 2008, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at August 31, 2008 based on criteria established in *Internal Control — Integrated Framework* issued by the COSO.

"PricewaterhouseCoopers LLP"

Chartered Accountants
Vancouver, British Columbia
November 21, 2008

Comments by Auditors for U.S. readers on Canada – U.S. Reporting Difference

In the United States, reporting standards for auditors require the addition of an explanatory paragraph (following the opinion paragraph) when there is a change in accounting principles that has a material effect on the comparability of the Company's financial statements, such as the change in accounting policy for financial instruments as described in note 2 to the consolidated financial statements. Our report to the shareholders dated November 21, 2008, is expressed in accordance with Canadian reporting standards which do not require a reference to such a change in accounting policy in the auditors' report when it is properly accounted for and adequately disclosed in the financial statements.

"PricewaterhouseCoopers LLP"

Chartered Accountants
Vancouver, British Columbia
November 21, 2008

REPORT OF INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS

To the Shareholders of Platinum Group Metals Ltd. (An exploration stage company)

We have audited the consolidated statement of operations of Platinum Group Metals Ltd. (an exploration stage company) and cash flows for the year ended August 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these consolidated financial statements present fairly, in all material respects, the results of its operations and its cash flows for the year ended August 31, 2006 in accordance with Canadian generally accepted accounting principles.

The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

"Deloitte & Touche LLP"
Independent Registered Chartered Accountants
November 8, 2006

COMMENTS BY AUDITORS ON CANADA - UNITED STATES OF AMERICA REPORTING DIFFERENCES

The standards of the Public Company Accounting Oversight Board (United States) require the addition of an explanatory paragraph when the financial statements are affected by conditions and events that cast substantial doubt on the Company's ability to continue as a going concern, such as those described in Note 1 to the 2006 consolidated financial statements. Although we conducted our audits in accordance with both Canadian generally accepted auditing standards a the standards of the Public Company Accounting Oversight Board (United States), our report to the Shareholders dated November 8, 2006 is expressed in accordance with Canadian reporting standards which do not permit a reference to sucl conditions and events in the auditors' report when these are adequately disclosed in the consolidated financial statements.

The standards of the Public Company Accounting Oversight Board (United States) require the addition of an explanatory paragraph (following the opinion paragraph) when there are changes in accounting principles that have a material effe on the comparability of the Company's consolidated financial statements, such as the change described in Note 2 (f) to the 2006 consolidated financial statements. Our report to the shareholders, dated November 8, 2006, is expressed in accordance with Canadian reporting standards which do not require a reference to such changes in accounting principles in the auditors' report when the change is properly accounted for and adequately disclosed in the consolidated financial statements.

"Deloitte & Touche LLP"
Independent Registered Chartered Accountants
November 8, 2006

At August 31, 2008

PLATINUM GROUP METALS LTD.

(An exploration stage company)

Consolidated Balance Sheets

(expressed in Canadian dollars)	Aug. 31, 2008	Aug. 31, 2007
ASSETS		
CURRENT		
Cash and cash equivalents (Note 11(b))	$ 1,779,871	$ 12,669,067
Short-term investments	-	2,000,000
Marketable securities (Note 4)	1,118,000	210,000
Amounts receivable (Note 3)	315,176	597,989
Due from WBJV partners (Note 5)	720,958	2,991,745
Prepaid expenses and other assets	92,075	85,456
Total current assets	4,026,080	18,554,257
PERFORMANCE BONDS	126,376	49,411
INVESTMENT IN WBJV (Note 5)	18,894,625	12,413,426
MINERAL PROPERTIES (Note 6)	5,806,510	5,375,656
SURFACE RIGHTS (Note 7(b))	3,159,102	-
FIXED ASSETS (Note 7(a))	479,890	371,453
Total assets	$ 32,492,583	$ 36,764,203
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 2,875,761	$ 2,304,845
Advances from WBJV partners (Note 5)	-	3,613,919
Total liabilities	2,875,761	5,918,764
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	55,359,342	52,373,858
Contributed Surplus	3,781,843	3,006,384
Accumulated other comprehensive income (Note 2(m), 4 & 5)	(2,268,847)	(2,365,876)
Deficit accumulated during the exploration stage	(27,255,516)	(22,168,927)
Total shareholders' equity	29,616,822	30,845,439
Total liabilities and shareholders' equity	$ 32,492,583	$ 36,764,203
CONTINGENCIES AND COMMITMENTS (NOTE 10)		
SUBSEQUENT EVENTS (NOTE 15)		

APPROVED BY THE DIRECTORS:

"Iain McLean"

Iain McLean, Director

"Eric Carlson"

Eric Carlson, Director

See accompanying notes to the consolidated financial statements.

For the year ended August 31, 2008

PLATINUM GROUP METALS LTD.

(An exploration stage company)

Consolidated Statements of Operations and Comprehensive Income

August 31, 2006 to August 31, 2008

(expressed in Canadian dollars)

	Year ended August 31, 2008	Year ended August 31, 2007	Year ended August 31, 2006	Cumulative amount from March 16, 2000 to August 31, 2008 (unaudited)
EXPENSES				
Amortization	$ 132,172	$ 125,046	$ 93,906	$ 493,703
Annual general meeting	65,663	82,697	50,563	295,024
Filing and transfer agent fees	152,853	129,803	49,108	568,132
Foreign exchange loss	37,340	83,292	114,912	218,532
Insurance	105,844	62,469	28,683	262,714
Mineral property costs written off	-	1,323,222	1,174,325	6,430,293
Management and consulting fees	843,758	690,504	367,891	3,155,007
News releases, print and mailout	75,688	83,999	92,281	703,949
Office and miscellaneous	227,497	230,829	156,795	1,047,246
Professional fees	973,425	416,945	266,223	2,460,789
Promotion	214,524	193,296	112,721	837,277
Property investigations	170	950	850	129,374
Rent	184,094	133,822	100,685	657,486
Salaries and benefits	1,345,722	1,400,258	904,385	4,914,461
Shareholder relations	128,340	216,597	153,220	1,048,692
Stock compensation expense	580,128	1,487,661	110,176	3,596,186
Telephone	73,415	78,605	44,609	326,665
Travel	859,139	656,965	271,883	2,409,960
Recoveries (Note 9(b) (c))	(243,895)	(205,410)	(162,639)	(1,340,849)
	(5,755,877)	(7,191,550)	(3,930,577)	(28,214,641)
Less interest earned	243,339	434,949	72,597	932,699
Loss before other items	(5,512,538)	(6,756,601)	(3,857,980)	(27,281,942)
Other items:				
Write-down of and equity loss in investment	-	-	-	429,275
Gain on sale of marketable securities	-	-	(5,050)	(47,682)
Loss on sale of fixed assets	-	1,522	343	8,930
	-	1,522	(4,707)	390,523
Loss for the period before income taxes	(5,512,538)	(6,758,123)	(3,853,273)	(27,672,465)
Future income tax recovery	425,949	-	-	2,162,949
Loss for the period	$ (5,086,589)	$ (6,758,123)	$ (3,853,273)	$ (25,509,516)
Other comprehensive income				
Currency Translation Adjustment (Note 5	(674,771)	(1,707,495)	(658,381)	(3,040,647)
Unrealized loss on marketable securities (note 2 (l) & 4)	(821,101)	-	-	(821,101)
Comprehensive income for the period	$ (6,582,461)	$ (1,707,495)	$ (658,381)	$ (3,861,748)
Basic and diluted loss per common share	$ (0.08)	$ (0.12)	$ (0.08)	
Weighted-average number of common shares outstanding	61,978,849	58,042,450	47,230,202	

See accompanying notes to the consolidated financial statements.

For the year ended August 31, 2008

PLATINUM GROUP METALS LTD.
(An exploration stage company)
Consolidated Statements of Shareholders' Equity
August 31, 2005, to August 31, 2008
(expressed in Canadian dollars)

	Common shares without par value		Contributed	Accumulated other comprehensive	Deficit accumulated during exploration	Total shareholders'
	Shares	Amount	surplus	income	stage	equity
Balance, August 31, 2005	43,158,651	23,513,389	1,723,198	-	(11,557,531)	13,679,056
Issuance of common shares for cash	9,500,000	14,898,656	-	-	-	14,898,656
Issued on exercise of warrants	843,047	1,181,305	-	-	-	1,181,305
Issued on exercise of stock options	164,500	165,418	(47,669)	-	-	117,749
Issued for mineral properties net of costs	25,000	40,000	-	-	-	40,000
Stock options granted	-	-	110,176	-	-	110,176
Translation adjustment	-	-	-	(658,380)	-	(658,380)
Net loss	-	-	-	-	(3,853,273)	(3,853,273)
Balance, August 31, 2006	53,691,178	39,798,768	1,785,705	(658,380)	(15,410,804)	25,515,288
Issued on exercise of warrants	6,333,194	11,454,791	-	-	-	11,454,791
Issued on exercise of stock options	914,375	892,557	(266,982)	-	-	625,575
Issued for mineral properties net of costs	50,000	227,742	-	-	-	227,742
Stock options granted	-	-	1,487,661	-	-	1,487,661
Translation adjustment	-	-	-	(1,707,495)	-	(1,707,495)
Net loss	-	-	-	-	(6,758,123)	(6,758,123)
Balance, August 31, 2007	60,988,747	52,373,858	3,006,384	(2,365,876)	(22,168,927)	30,845,439
Translation adjustment (note 2(m) & 4)	-	-	-	1,592,901	-	1,592,901
Issued on exercise of warrants	850,000	1,487,500	-	-	-	1,487,500
Issued on exercise of stock options	760,500	1,334,748	(512,924)	-	-	821,824
Issued for mineral properties net of costs	50,000	163,236	-	-	-	163,236
Stock options granted	-	-	1,288,383	-	-	1,288,383
Translation adjustment	-	-	-	(674,770)	-	(674,770)
Unrealized loss on marketable securities	-	-	-	(821,100)	-	(821,100)
Net loss	-	-	-	-	(5,086,589)	(5,086,589)
Balance, August 31, 2008	62,649,247	$ 55,359,342	$ 3,781,843	$ (2,268,847)	$ (27,255,516)	$ 29,616,822

See accompanying notes to the consolidated financial statements.

For the year ended August 31, 2008

PLATINUM GROUP METALS LTD.

(An exploration stage company)

Consolidated Statements of Cash Flows

August 31, 2006 to August 31, 2008

(expressed in Canadian dollars)	Year ended August 31, 2008	Year ended August 31, 2007	Year ended August 31, 2006	Cumulative amount from March 16, 2000 to August 31, 2008 (unaudited)
OPERATING ACTIVITIES				
Loss for the year	$ (5,086,589)	$ (6,758,123)	$ (3,853,273)	$ (25,509,516)
Add items not affecting cash				
Amortization	132,172	125,046	93,906	493,703
Loss on sale of fixed assets	-	1,522	343	8,930
Equity loss and write-down of investment	-	-	-	429,275
Future income tax recovery	(425,949)	-	-	(2,162,949)
Gain on sale of marketable securities	-	-	(5,050)	(47,082)
Mineral property costs written off	-	1,323,222	1,174,325	6,430,293
Finders fee received in shares (Note 4)	-	-	-	(100,000)
Gain on sale of mineral property	-	-	-	(240,000)
Non-cash stock compensation expense	580,128	1,487,661	110,176	3,596,186
Net change in non-cash working capital (Note 11(a))	252,810	138,111	123,312	445,377
	(4,547,428)	(3,682,561)	(2,356,261)	(16,656,383)
FINANCING ACTIVITIES				
Performance Bonds	(76,965)	(22,047)	(2,679)	(126,376)
Issuance of common shares	2,309,324	12,078,108	16,197,711	52,366,151
	2,232,359	12,056,061	16,195,032	52,239,775
INVESTING ACTIVITIES				
Costs to acquire New Millennium Metals	-	-	-	(231,325)
Acquisition of fixed assets	(240,609)	(257,770)	(145,392)	(978,828)
Acquisition cost of mineral properties	(41,881)	(112,439)	(167,561)	(1,579,686)
Acquisition of surface rights	(1,287,102)	-	-	(1,287,102)
Exploration expenditures, net of recoveries	(388,973)	(755,643)	(476,032)	(8,572,770)
Investment in and advances to WBJV	(8,615,562)	(2,645,382)	(5,780,246)	(21,164,615)
Investment in and advances to Active Gold Group Ltd.	-	-	-	(246,677)
Redemption/(acquisition) of short-term investments, net	2,000,000	(2,000,000)	-	-
Proceeds on sale of marketable securities	-	-	46,800	257,482
	(8,574,127)	(5,771,234)	(6,522,431)	(33,803,521)
Net (decrease) increase in cash and cash equivalents	(10,889,196)	2,602,266	7,316,340	1,779,871
Cash and cash equivalents, beginning of year	12,669,067	10,066,801	2,750,461	-
Cash and cash equivalents, end of year	$ 1,779,871	$ 12,669,067	$ 10,066,801	$ 1,779,871

See accompanying notes to the consolidated financial statements.

1. NATURE OF OPERATIONS

The Company is a British Columbia corporation incorporated on February 18, 2002 by an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation ("New Millennium"). The Company is an exploration and development company conducting work on mineral properties it has staked or acquired by way of option agreements in Ontario, Canada and the Republic of South Africa.

2. SIGNIFICANT ACCOUNTING POLICIES

i) These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and include the significant policies outlined below.

(a) Basis of presentation and principles of consolidation

The financial statements of entities which are controlled by the Company through voting equity interest, referred to as subsidiaries, are consolidated. Variable interest entities ("VIEs"), which include, but are not limited to, special purpose entities, trusts, partnerships and other legal structures, as defined by the Accounting Standards Board in Accounting Guideline 15, "Consolidation of Variable Interest Entities", are entities in which equity investors do not have the characteristics of a "controlling financial interest" or there is not sufficient equity at risk for the entity to finance its activities without additional subordinated financial support. VIEs are subject to consolidation by the primary beneficiary who will absorb the majority of the entities' expected losses and/or residual returns.

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Platinum Group Metals (RSA) (Pty) Ltd. ("PTM RSA"). PTM RSA holds mineral rights and conducts operations in the Republic of South Africa. All significant intercompany balances and transactions have been eliminated upon consolidation.

The Company's 37% working interest in the WBJV (Note 5 and Note 15(a)) is accounted for as an investment in the WBJV.

(b) Mineral properties and deferred exploration costs

Mineral properties consist of exploration and mining concessions, options, contracts and surface rights. Acquisition and leasehold costs, exploration costs and surface rights are capitalized until such time as the property is put into production or disposed of either through sale or abandonment. If put into production, the costs of acquisition and exploration will be amortized on a straight line basis over the life of the property based on the estimated economic reserves. Proceeds received from the sale of any interest in a property will first be credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the property and deferred exploration costs are written off to operations.

Management of the Company reviews and evaluates the carrying value of each mineral property for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. Where estimates of future net cash flows are available and the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset, an impairment loss is recognized and assets are written down to fair value which is normally determined using the discounted value of future cash flows. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses whether the carrying value can be recovered by considering alternative methods of determining fair value. When it is determined that a mineral property is impaired it is written down to its estimated fair value.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term money market instruments, which are readily convertible to cash and have original maturities of 90 days or less. The Company holds no asset-backed commercial paper.

(d) Reclamation and closure costs

The Company recognizes the estimated fair value of liabilities for asset retirement obligations including reclamation and closure costs in the period in which they are incurred. A corresponding increase to the carrying amount of the related asset is recorded and amortized over the life of the asset. The amount of the liability is subject to re-measurement at each reporting period and is accreted over time to the estimated asset retirement obligation ultimately payable through charges to operations.

The estimates are based principally on legal and regulatory requirements. It is possible that the Company's estimates of its ultimate reclamation and closure liabilities could change as a result of changes in regulations, the extent of environmental remediation required, changes in technology and the means and cost of reclamation. Based on management's estimates, the Company has determined that there are no significant reclamation liabilities as at year end.

(e) Income taxes

Future income taxes relate to the expected future tax consequences of differences between the carrying amount of balance sheet items and their corresponding tax values. Future tax assets, if any, are recognized only to the extent that, in the opinion of management, it is more likely than not that the future income tax assets will be realized. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment or substantive enactment.

(f) Fixed assets

Fixed assets are recorded at cost and are amortized at the following annual rates:

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Computer equipment and sofware	30% declining balance
Office furniture and equipment	20% declining balance
Vehicles	30% declining balance
Leasehold improvements	2 years straight line

(g) Short-term investments

Short-term investments comprise guaranteed investment certificates with original maturities of more than 90 days and less than one year.

(h) Earnings (loss) per common share

Basic earnings (loss) per common share is calculated using the weighted average number of common shares outstanding.

The Company uses the treasury stock method for the calculation of diluted earnings per share. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. In periods when a loss is incurred, the effect of potential issuances of shares under options and share purchase warrants would be anti-dilutive, and accordingly basic and diluted loss per share are the same.

(i) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of expenditures during the reporting period. Significant items where management's judgement is applied include the assessment of impairment of long-lived assets, amortization, income tax provisions, contingent liabilities, stock-based compensation and asset retirement obligations. Actual results could differ from those estimates.

(j) Translation of foreign currencies

These consolidated financial statements are expressed in Canadian dollars. For integrated foreign operations, monetary assets and liabilities are translated at year end exchange rates and other assets and liabilities are translated at historical rates. Revenues, expenses and cash flows are translated at average exchange rates. Gains and losses on translation of monetary assets and monetary liabilities are charged to operations.

The investment in the WBJV translated at year end exchange rates, and revenues and expenses are translated at average exchange rates. Differences arising from these foreign currency translations are recorded in shareholders' equity in accumulated other comprehensive income until they are realized by a reduction in the investment.

(k) Stock-based compensation

The fair values for all stock-based awards granted are estimated using the Black-Scholes model and are recorded in operations over the period of vesting. The compensation cost related to stock options granted is recorded in operations or capitalized to the investment in WBJV or mineral properties, as applicable.

Cash received on the exercise of stock options is credited to share capital and the amount previously recognized in contributed surplus is also transferred to share capital.

(l) Changes in accounting policies

Effective September 1, 2007, the Company adopted CICA Handbook Sections 3855 *Financial Instruments – Recognition and Measurement* ; Section 3861 *Financial Instruments – Disclosure and Presentation* ; Section 3865 *Hedges* ; Section 1530 *Comprehensive Income* and Section 3251 *Equity* . As the Company has not undertaken hedging activities, adoption of Section 3865 currently has no impact. Prior to September 1, 2007, the principal accounting policies affecting financial instruments related to marketable securities that were valued at the lower of original cost and fair market value.

CICA Section 3855 requires that all financial assets, except those classified as held to maturity, and loans and receivables, must be measured at fair value. All financial liabilities are measured at fair value when they are classified as held-for trading; otherwise, they are measured at amortized cost. Investments classified as available-for-sale are reported at fair value based on quoted market bid prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. Those instruments classified as held-for-trading, have gains or losses included in earnings in the period in which they arise. All of the Company's marketable securities have been designated as available-for-sale.

Comprehensive income is the change in a company's net assets that results from transactions, events and circumstances from sources other than its shareholders and includes items that would not normally be included in net earnings or loss such as unrealized gains or losses on available-for-sale investments.

(m) *Financial instruments*

The Company's financial instruments are comprised of cash and cash equivalents, short-term investments, marketable securities, amounts due from WBJV partners, accounts payable and accrued liabilities and advances from WBJV partners. Unless otherwise stated it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Cash and cash equivalents are recognized at their fair value and the carrying value of all other financial instruments approximate their fair values due to their short-term maturity or their capacity of prompt liquidation. Marketable securities are recorded in the financial statements at fair value.

(n) *New accounting pronouncements*

Canadian GAAP

Capital disclosures and financial instruments – disclosures and presentation

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, "Capital Disclosures", Handbook Section 3862, Financial Instruments – Disclosures", and Handbook Section 3863, "Financial Instruments – Presentation". These standards are effective for interim and annual financial statements for the Company's reporting period beginning on September 1, 2008.

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

The new Sections 3862 and 3863 replace Handbook Section 3861, "Financial Instruments – Disclosure and Presentation", revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how a company manages those risks.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

General standards on financial statement presentation

CICA Handbook Section 1400, "General Standards on Financial Statement Presentation", has been amended to include requirements to assess and disclose an entity's ability to continue as a going concern. The changes are effective for interim and annual financial statements for the Company's reporting period beginning September 1, 2008.

Goodwill and Intangible Assets

The CICA issued the new Handbook Section 3064, "Goodwill and Intangible Assets", which will replace Section 3062, "Goodwill and Intangible Assets". The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and startup costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. Management is currently assessing the impact of these new accounting standards on its financial statements. Adoption of this standard will result in the withdrawal of EIC 27.

3. AMOUNTS RECEIVABLE

	Aug. 31, 2008	Aug. 31, 2007
Expenditure advances receivable	$ 11,444	$ 75,004
Due from related parties (Note 9 (b) and (c))	2,816	17,162
Goods and services tax recoverable	104,943	65,191
South African value added tax ("VAT") recoverable	195,973	375,385
Interest receivable	-	65,247
	$ 315,176	$ 597,989

Expenditure advances receivable consist of funds advanced to officers, directors and consulting geologists for exploration and corporate activities conducted in the normal course of business and bear no interest.

4. MARKETABLE SECURITIES

At August 31, 2008, the Company has the following marketable securities recognized at fair value:

Available-for-sale securities	Number of Shares	Cost ($)	Accumulated Unrealized Gains ($)	Fair Value ($)
MAG Silver Corp.	100,000	50,000	740,000	790,000
West Timmins Mining Inc.	800,001	160,000	168,000	328,000
Total Marketable Securities		**210,000**	**908,000**	**1,118,000**

At August 31, 2007, the Company has the following marketable securities recognized at cost:

	Number of Shares	Cost ($)	Fair Value ($)
MAG Silver Corp.	100,000	50,000	1,300,000
West Timmins Mining Inc.	800,001	160,000	784,001
Total Marketable Securities		**210,000**	**2,084,001**

On September 1, 2007, pursuant to adoption of the new CICA Handbook Section 3855 *Financial Instruments – Recognition and Measurement*, the Company recorded an adjustment to increase the carrying value of marketable securities by $1,874,001 with a corresponding adjustment to accumulated other comprehensive income less the future income tax adjustment of $281,100. The adjustment represents the after-tax unrealized gain on available-for-sale marketable securities held by the Company at September 1, 2007.

During the year ended August 31, 2008 after an adjustment of a future income tax recovery of $144,900 the Company recognized an unrealized loss of $821,101 (2007 - $nil) on marketable securities designated as available-for-sale instruments in other comprehensive income.

Both of the above marketable securities are related parties of the Company, as discussed in Note 9.

5. INVESTMENT IN WESTERN BUSHVELD JOINT VENTURE (THE "WBJV")

	Aug. 31, 2008	Aug. 31, 2007
Opening Balance	$14,779,302	$10,861,834
Additional investment	7,155,970	3,917,468
Balance before translation	21,935,272	14,779,302
Translation adjustment	(3,040,647)	(2,365,876)
Ending Balance	$18,894,625	$12,413,426

Details of the assets of the WBJV, excluding the property rights contributed by the other venture partners, are as follows:

	Aug 31, 2008	Aug. 31, 2007
Acquisition and Capital costs		
Balance, beginning of period	$ 2,190,657	$ 1,898,293
Incurred during period	2,484,930	292,364
Translation adjustment	(538,146)	(461,938)
Balance, end of period	$ 4,137,441	$ 1,728,719
Deferred exploration costs		
Balance, beginning of period	$ 21,782,427	$ 11,577,319
Assays and geochemical	565,945	625,735
Drilling	4,315,197	6,021,485
Geological and Engineering	4,953,901	2,841,399
Geophysical	3,696,316	97,792
Site administration	202,622	497,603
Stock compensation	998,004	-
Travel	142,442	121,094
	36,656,854	21,782,427
Translation adjustment	(2,502,501)	(1,903,938)
Balance, end of period	$ 34,154,353	$ 19,878,489
Less other partners' interest	(19,397,169)	(9,193,782)
Investment in WBJV	$ 18,894,625	$ 12,413,426

On October 26, 2004 the Company entered into the Western Bushveld Joint Venture (the "WBJV") with a subsidiary of Anglo Platinum Limited ("Anglo Platinum") and Africa Wide Mineral Prospecting and Exploration (Pty) Limited ("Africa Wide") to pursue platinum exploration and development on combined mineral rights covering approximately 67 square kilometres on the Western Bushveld Complex of South Africa. The transaction closed effective January 26, 2005. The Company contributed all of its interests in portions of the farms Onderstepoort 98JQ and Elandsfontein 102JQ. Anglo Platinum contributed its interests in portions of the farms Koedoesfontein 94JQ, Elandsfontein 102JQ and Frischgewaagd 96JQ. Later, in 2007, Anglo Platinum contributed its 50% interest in Portion 11 of the farm Frischgewaagd bringing the total area of the WBJV to approximately 72 square kilometres. The Company and Anglo Platinum each hold a 37% working interest in the WBJV, while Africa Wide holds a 26% working interest.

In April 2007 the shareholders of Africa Wide sold 100% of their company to Wesizwe Platinum Ltd ("Wesizwe"). The transaction closed in September 2007 and since then Wesizwe has become responsible for all of the rights and obligations of Africa Wide.

The Company is the operator of the WBJV. From October 2004 to April 2006 the Company funded an earn-in exploration program in the amount of Rand 35 million (at August 31, 2005 approx. C$6.44 million). Since then the partners of the WBJV have funded expenditures pro-rata based upon their working interest in the Joint Venture. From April 2006 to April 2008 the partners to the WBJV approved budgets in the amount of Rand 124 million (approximately C$16.5 million). At August 31, 2008 total contributions of $720,958 were owing to from Anglo Platinum (approximately $420,000 or Rand 3.042 Million) and Africa Wide (approximately $301,000 or Rand 2.182 million). These balances were recorded as receivables by the Company and payment was received subsequent to the end of the year. At August 31, 2007 Anglo Platinum had an unspent contribution balance of Rand 24,517,766 (C$3,613,919) which was used to fund their pro-rata share of further expenditures on the WBJV. At August 31, 2007 Africa Wide owed approximately Rand 20,296,777 (C$2,991,745) in outstanding contributions. This amount was recorded as a receivable by the Company at August 31, 2007 and was received in the year ended August 31, 2008 from Wesizwe.

The Company published a Feasibility Study for Project 1 of the WBJV on July 7, 2008. Based on the WBJV resource estimate prepared for this document the respective deemed capital contribution of each party will be credited by adding their contribution of measured, indicated, and inferred platinum group element ounces from the original contributed properties comprising the WBJV, determined in accordance with the South African Mineral Resource Committee ("SAMREC") code. Inferred ounces will be credited at US$0.50 per ounce, indicated ounces will be credited at US$3.20 per ounce and measured ounces will be credited at US$6.20 per ounce. Ounces contributed to the WBJV by Anglo Platinum in 2007 from a 50% interest in Portion 11 of the Farm Frischgewaagd 96 JQ will receive an equalization credit of US$0.62 per inferred ounce, US$10.37 per indicated ounce and US$39.55 per measured four element or "4E" ounce of combined platinum, palladium, rhodium and gold. Each party will then have the opportunity to make a one-time equalizing payment or contribute additional capital in order to catch up any resulting shortfall in their contributed capital and thereby maintain their respective working interest in the JV. At August 31, 2008 the Company's equalization payment due to Anglo Platinum was calculated at approximately US $20.0 million. Under the terms of the WBJV agreement the equalization payment will become payable subsequent to a decision to mine by the WBJV. Should a party not wish to participate, the JV agreement provides a mechanism whereby the parties may elect to become "non-contributory" parties to the JV and by doing so they would be subject to dilution.

The initial exchange of the Company's pre-existing interests in the Elandsfontein and Onderstepoort properties for the interest in WBJV was recorded at cost as it represents a non-monetary exchange. The Company's earn-in expenditure of Rand 35 million was also recorded as a cost of the investment.

Effective May 31, 2006 the Company concluded that the functional currency of WBJV was the South African Rand as expenditures in the WBJV were principally being incurred in Rand and funded by advances from the venturers which were denominated in Rand. The Company therefore considers its equity investment in the WBJV to be self sustaining and it translates its share of net equity of WBJV using the current rate method with translation gains and losses included in accumulated other comprehensive income as a separate component of shareholders' equity.

(a) *Elandsfontein interest*

In December 2002 the Company acquired an option to purchase 100% of the surface and mineral rights to 365.64 hectares of the farm Elandsfontein 102 JQ located in the Western Bushveld area. The Company made an initial payment to the Vendors of Rand 150,000 (approx. C$29,500) and agreed to terms for the purchase of both mineral and surface rights.

The Company exercised its option to purchase the Elandsfontein property by way of written notice on June 26, 2003. In 2005 the Company purchased all surface and mineral rights to the property in exchange for Rand 7.0 million (approximately C$1.4 million). In September 2005 the Company was granted a "New Order" prospecting permit under the new Mineral and Petroleum Resources Development Act (2002) over the Elandsfontein property.

(b) *Onderstepoort interest*

During 2003 the Company entered into option agreements to acquire mineral rights on seven portions of the farm Onderstepoort 98 JQ located in the Western Bushveld. The Company could earn 100% of the mineral rights over certain portions and 50% of the mineral rights over the balance. The Company now holds New Order prospecting permits on all of these farm portions. Since 2003 the Company has paid Rand 834,000 in option payments for the properties.

During fiscal 2007 the Company negotiated and executed the buy-out and cancellation of one of the option agreements to acquire a 50% undivided interest in two farm portions in exchange for 50,000 common shares of the Company valued at $230,000. During fiscal 2008 the Company negotiated and executed the buy-out and cancellation of the remaining option agreements for all remaining farm portions for one additional payment of 50,000 shares of the Company valued at $165,500.

6. MINERAL PROPERTIES

Year ended August 31, 2008

	South Africa				Canada			
	Tweespalk	War Springs	Other		LDI River	Shelby Lake	South Legris	Total
Acquisition costs of mineral rights								
Balance, beginning of year	$ 34,658	$ 115,433	$ 1,673		$595,532	$312,345	$ 60,000	$ 1,119,641
Incurred during year	17,379	18,925	1,019		3,039	1,519	-	41,881
Less amounts written off	-	-	-		-	-	-	-
Balance, end of year	$ 52,037	$ 134,358	$ 2,692		$598,571	$313,864	$ 60,000	$ 1,161,522
Deferred exploration costs								
Assays and geochemical	$ -	$ 20,492	$ -		$ 8,286	$ 3,026	$ -	$ 31,804
Drilling	-	-	-		81,778	59,730	-	141,508
Geological	13,666	42,598	334,617		6,488	4,188	1,653	403,210
Maps, fees and licenses	-	-	1,724		81	-	-	1,805
Site administration	4,388	3,814	3,012		-	-	-	11,214
Travel	3,887	5,543	1,030		812	-	-	11,272
	21,941	72,447	340,383		97,445	66,944	1,653	600,813
Balance, beginning of year	1,081,100	2,162,871	233,169		261,197	433,574	84,104	4,256,015
Recoveries	(211,840)	-	-		-	-	-	(211,840)
Balance, end of year	$ 891,201	$2,235,318	$ 573,552		$358,642	$500,518	$ 85,757	$ 4,644,988
Total Mineral Properties	$ 943,238	$2,369,676	$ 576,244		$957,213	$814,382	$ 145,757	$ 5,806,510

Year ended August 31, 2007

	South Africa			Canada				
	Tweespalk	War Springs	Other	Lakemount	LDI River	Shelby Lake	South Legris	Total
Acquisition costs of mineral rights								
Balance, beginning of year	$ 31,835	$ 112,490	$ –	$ 221,573	$545,532	$307,345	$ 10,000	$ 1,228,775
Incurred during year	2,823	2,943	1,673	–	50,000	5,000	50,000	112,439
Less amounts written off	–	–	–	(221,573)	–	–	–	(221,573)
Balance, end of year	$ 34,658	$ 115,433	$ 1,673	$ –	$595,532	$312,345	$ 60,000	$ 1,119,641
Deferred exploration costs								
Assays and geochemical	$ 75,127	$ 2,972	$ –	$ –	$ –	$ –	$ 110	$ 78,209
Drilling	157,158	–	–	–	43,383	39,848	80,996	321,385
Geological	24,204	69,429	192,345	–	1,482	1,499	626	289,585
Maps, fees and licenses	–	–	31,881	–	257	–	–	32,138
Site administration	7,008	6,942	2,304	3,000	–	–	–	19,254
Travel	3,494	3,969	6,639	–	131	256	583	15,072
	266,991	83,312	233,169	3,000	45,253	41,603	82,315	755,643
Balance, beginning of year	814,109	2,079,559	–	1,098,649	215,944	391,971	1,789	4,602,021
Less amounts written off	–	–	–	(1,101,649)	–	–	–	(1,101,649)
Balance, end of year	$1,081,100	$2,162,871	$ 233,169	$ –	$261,197	$433,574	$ 84,104	$ 4,256,015
Total Mineral Properties	$1,115,758	$2,278,304	$ 234,842	$ -	$856,729	$745,919	$ 144,104	$ 5,375,656

(a) Republic of South Africa

(i) War Springs and Tweespalk

On June 3, 2002, the Company acquired an option to earn a 100% interest in the 2,396 hectare War Springs property and the 2,177 hectare Tweespalk property both located in the Northern Limb or Platreef area of the Bushveld Complex north of Johannesburg. Acquisition and exploration costs on these properties to August 31, 2008 total $3,524,754 (August 31, 2007 - $3,394,062).

Under the Old Order permits, the Company could purchase 100% of these mineral rights at any time for US$690 per hectare. The Company had also agreed to pay prospecting fees to the vendors of US$3.25 per hectare. The vendors retain a 1% NSR Royalty on the property, subject to the Company's right to purchase the NSR at any time for US$1.4 million. A 5% finders' fee applies to vendor payments.

Under the new Mineral and Petroleum Resources Development Act (2002), which became effective in May 2004, Old Order permits were to be converted into New Order permits during a transition period. This process is now complete for the War Springs and Tweespalk properties. The June 3, 2002 option agreement provides for amendments as may be needed to maintain the parties in the same commercial position as they were in under the preceding mineral legislation and such amendments are yet to be completed.

Black Economic Empowerment groups Africa Wide, a subsidiary of Wesizwe Platinum Ltd. and Taung Minerals (Pty) Ltd., a subsidiary of Platmin Limited, have each acquired a 15% interest in the War Springs project carried to bankable feasibility. The Company retains a net 70% project interest.

Africa Wide has a 30% participating interest in the Tweespalk property. During the year, the Company received payment in full from Wesizwe Platinum Ltd. for Africa Wide's share of costs to August 31, 2007, which amounted to Rand 1,549,673 (C$211,840 at August 31, 2008). The payment was treated as a recovery of costs relating to the Tweespalk property.

(b) Ontario, Canada

(i) Lac des Iles ("LDI") River

On May 5, 2000, New Millennium entered into an option agreement to acquire a 50% interest in the Lac des Iles River property located near Thunder Bay, Ontario in exchange for cash payments ($43,500 paid in total) and the completion of exploration expenditures. On October 6, 2006, the Company and the property vendors entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property subject only to underlying 2.0% Net Smelter Return Royalties. In settlement the Company made a one-time payment to the vendors of $50,000 in lieu of past and future exploration expenditure commitments not incurred.

(ii) South Legris

In April 2000, and later as amended in January 2005, the Company acquired an option to earn a 50% interest in the South Legris property located near Thunder Bay, Ontario in exchange for cash payments ($105,000 paid in total) and the completion of certain exploration expenditures. On October 13, 2006, the Company and the property vendors entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property subject only to underlying 2.0% Net Smelter Return Royalties. In settlement the Company made a one-time payment of $50,000 in lieu of past and future exploration expenditure commitments not incurred.

Shelby Lake

(iii)

On June 28, 2000, New Millennium entered into an option agreement to earn up to 60% interest in the Shelby Lake property, located near Thunder Bay, Ontario in exchange for cash payments of $15,000 (paid), issue 30,303 shares (issued) and complete $500,000 in exploration expenditures over a four-year period. On October 18, 2006, the Company and the property vendor entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property for a one-time payment of $5,000 subject only to an underlying 2.0% Net Smelter Return Royalty, of which the Company may buy back one half for $500,000.

(v) Lakemount

On November 6, 2003 the Company acquired an option to earn up to a 62% interest in the Lakemount property located near Wawa, Ontario. Exploration results on the project to date have been of interest, but in light of certain title deficiencies and a complex title chain, the Company has abandoned the project. During fiscal 2007, deferred acquisition and exploration costs relating to the project in the amount of $1,323,222 were written off.

(c) Title to mineral properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

7. FIXED ASSETS

(a) Equipment, Leaseholds and Vehicles

	August 31, 2008		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment and software	$ 495,723	$ 307,833	$ 187,890
Leasehold improvements	64,726	37,537	27,189
Office furniture and equipment	263,882	99,203	164,679
Vehicles	118,332	18,200	100,132
	$ 942,663	$ 462,773	$ 479,890

	August 31, 2007		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment and software	$ 445,341	$ 240,389	$ 204,952
Leasehold improvements	45,866	27,856	18,010
Office furniture and equipment	227,765	79,274	148,491
	$ 718,972	$ 347,519	$ 371,453

(b) Surface Rights

During the year ended August 31, 2008 the Company purchased surface rights adjacent to the WBJV Project 1 deposit area measuring 216.27 hectares for an amount of Rand 8.0 million (approx. C$1.09 million). During the year the Company also entered into a legally binding agreement for the purchase of surface rights directly over a portion of the WBJV Project 1 deposit area measuring 358.79 hectares for an amount of Rand 15.07 million (approx. C$2.07 million). Prior to year end the Company paid a 10% deposit of Rand 1.507 million (approx. C$0.20 million) for this property, leaving the balance due upon statutory registration of the surface rights in the Company's name, expected to occur before December 31, 2008. The balance of Rand 13.562 (approx. C$1.87 million) is recorded in accounts payable at August 31, 2008. The rights to these two properties are to the benefit of the Company only and are distinct from the 365.64 hectare Elandsfontein Farm held for the benefit of the WBJV (Note 5(a)).

8. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value

(b) Issued and outstanding

At August 31, 2008 there were 62,649,247 shares outstanding.

During the year ended August 31, 2008:

(i) 850,000 share purchase warrants were exercised for proceeds of $1,487,500 and 760,500 stock options were exercised for proceeds of $821,824.

(ii) the Company issued 50,000 common shares in connection with the acquisition of mineral properties at a fair value of $165,500. A filing fee of $2,264 related to this issue of shares was paid by the Company.

During the year ended August 31, 2007:

(iii) 6,333,194 share purchase warrants were exercised for proceeds of $11,454,791 and 914,375 stock options were exercised for proceeds of $625,575.

(iv) the Company issued 50,000 common shares in connection with the acquisition of mineral properties at a fair value of $230,000. A filing fee of $2,258 related to this issue of shares was paid by the Company.

During the year ended August 31, 2006:

(v) the Company issued 25,000 common shares in connection with the acquisition of mineral properties at a fair value of $40,000.

(vi) 843,047 share purchase warrants were exercised for proceeds of $1,181,305 and 164,500 stock options were exercised for proceeds of $117,750.

(vii) the Company closed non-brokered private placements for 2.2 million units at a price of $1.45 per unit. Each unit consisted of one common share and one half a common share purchase warrant, with each whole warrant exercisable into a common share at a price of $1.75 for a period of 18 months until April 13-21, 2007. Filing fees of $7,000 and a finder's fee of $45,704 related to this financing were paid by the Company in cash.

(viii) the Company closed a non-brokered private placement for 1.7 million units at a price of $1.45 per unit. Each unit consisted of one common share and one half a common share purchase warrant, with each whole warrant exercisable into a common share at a price of $1.75 for a period of two years until March 6, 2008. Filing fees of $7,532 related to this financing were paid by the Company in cash.

(vii)the Company closed a brokered private placement for 5.6 million units at a price of $1.80 per unit. Each unit consisted of one common share and one half a common share purchase warrant. Each whole warrant is exercisable to purchase an additional common share until March 31, 2007 at a price of $2.10 per share. Agent's fees amounted to 7.0% of gross proceeds, which totalled $705,600, which was paid in cash. The Agents' legal and other costs totalling $56,000 were paid by the Company. The Company also paid $23,498 as a filing fee.

(c) Incentive stock options

The Company has entered into Incentive Stock Option Agreements ("Agreements") with directors, officers and employees. Under the terms of the Agreements, the exercise price of each option is set at a minimum, at the fair value of the common shares at the date of grant. Certain stock options granted to employees, directors and officers of the Company vest on average at an amount of 25% per six month period.

The following tables summarize the Company's outstanding stock options:

Exercise Price	Number Outstanding at Aug. 31, 2008	Weighted Average Remaining Contractual Life (Years)	Number Exercisable at Aug. 31, 2008
1.00	1,183,875	1.47	1,183,875
1.05	37,500	1.92	37,500
1.10	75,000	1.11	75,000
1.44	25,000	0.28	25,000
1.50	16,500	2.36	16,500
1.85	175,000	2.98	175,000
1.92	60,000	2.84	60,000
2.57	965,000	3.38	945,000
2.75	100,000	0.68	100,000
4.15	150,000	4.15	37,500
4.40	1,050,000	4.15	262,500
3.15	20,000	4.91	-
	3,857,875	2.84	2,917,875

The weighted average exercise price of the exercisable options at year end was $2.00.

	Number of Shares	Weighted Average Exercise Price
Options outstanding at August 31, 2006	3,285,375	0.94
Granted	1,265,000	2.51
Exercised	(914,375)	0.68
Cancelled	(90,625)	1.09
Options outstanding at August 31, 2007	3,545,375	1.56
Granted	1,367,500	4.23
Exercised	(760,500)	1.08
Cancelled	(294,500)	2.18
Options outstanding at August 31, 2008	3,857,875	$ 2.56

(i) During the year ended August 31, 2008 the Company granted 1,367,500 stock options to employees. The Company has recorded $1,288,383 ($580,128 expensed and $708,255 capitalized to the WBJV) of compensation expense relating to stock options granted or vested in this year.

The following weighted average assumptions were used in valuing stock options granted during the year:

Risk-free interest rate	4.08
Expected life of options	3.32
Annualized volatility	64.04
Dividend rate	0.00%

(ii) During the year ended August 31, 2007 the Company granted 1,265,000 stock options to employees. The Company has recorded $1,487,661 of compensation expense relating to stock options granted or vested in this year.

The following weighted average assumptions were used in valuing stock options granted during the year:

Risk-free interest rate	4.05
Expected life of options	3.50
Annualized volatility	81.41
Dividend rate	0.00%

(d) *Share purchase warrants*

	Number of Warrants		Weighted Average Exercise Price
Balance at August 31, 2006	7,479,383		1.79
Expired during the period	(296,189)		1.50
Exercised and converted to common shares	(6,333,194)		1.81
Balance at August 31, 2007	850,000	$	1.75
Exercised and converted to common shares	(850,000)		1.75
Balance at August 31, 2008	-	$	-

9. RELATED PARTY TRANSACTIONS

Transactions with related parties are as follows:

(a) Management, salary, consulting fees, and Director's fees of $524,807 (2007 - $500,821, 2006 - $354,710) were incurred with directors during the year. At August 31, 2008, $75,000 was included in accounts payable (2007 - $21,869).

(b) The Company received $135,895 (2007 - $138,210, 2006 - $135,340) during the year from MAG Silver Corp. ("MAG"), a company with two directors in common and a officer in common, under the terms of a 2003 service agreement for administrative services. Amounts receivable at the end of the year includes an amount of $1,819 due from MAG for other trade receivables (2007 - $267).

(c) During the year the Company accrued or received payments of $108,000 (2007 – $67,200, 2006 – 27,300) from West Timmins Mining Inc. ("WTM"), a company with three directors in common and a officer in common, for administrative services. Amounts receivable at the end of the year includes an amount of $997 due from WTM for other trade receivables (2007 - $16,895 for both administration fees due ($9,540) and other trade receivables ($7,355)).

(d) The Company entered into an office lease agreement with Anthem Works Ltd. ("Anthem"), a company with a director in common in 2005. During the year ended August 31, 2008 the Company accrued or paid Anthem $88,382 under the office lease agreement (2007 - $66,684, 2006 - $62,333).

All amounts in Amounts receivable and Accounts payable owing to or from related parties are non-interest bearing with no specific terms of repayment.

These transactions are in the normal course of business and are measured at the exchange amount, which is the consideration established and agreed to by the noted parties.

10. CONTINGENCIES AND COMMITMENTS

The Company's remaining minimum payments under its office and equipment lease agreements, which it has entered into for the years ending on August 31, as well as PTM RSA's commitments, are as follows, as at August 31, 2008.

August 31, 2009	$	193,246
August 31, 2010		71,032
August 31, 2011		9,953
August 31, 2012		1,659
	$	275,890

11. SUPPLEMENTARY CASH FLOW INFORMATION

(a) *Net change in non-cash working capital*

		Year ended Aug. 31, 2008		Year ended Aug. 31, 2007		Year ended Aug. 31, 2006
Amounts receivable	$	103,401	$	(69,073)	$	(50,934)
Prepaid expenses and other		(6,620)		(21,308)		(10,573)
Accounts payable		156,029		228,492		184,819
	$	252,810	$	138,111	$	123,312

Of the $2,875,761 in accounts payable at August 31, 2008 an amount of $54,000 (approximately Rand 391,000) was incurred on behalf of the WBJV, and $1,872,000 (approximately Rand 13.6 million) was accrued for Surface rights. The Company also issued shares to the value of $165,500 during the year for property acquisitions.

(b) *Cash and cash equivalents*

Cash and cash equivalents consist of the following:

	Aug. 31, 2008	Aug. 31, 2007
Cash	$ 1,779,871	$ 3,669,067
Short-term deposits	-	9,000,000
	$ 1,779,871	$ 12,669,067

12. SEGMENTED INFORMATION

The Company operates in one operating segment, that being exploration on mineral properties. Segmented information presented on a geographic basis follows:

Assets

	August 31, 2008	August 31, 2007
Canada	$ 4,878,509	$ 13,635,201
South Africa	27,614,075	23,129,002
	$ 32,492,584	$ 36,764,203

Assets relate to properties situated as follows:

Results of Operations

	August 31, 2008	August 31, 2007	August 31 2006
Canada	$ (3,464,337)	$ (5,056,329)	$ (2,939,355)
South Africa	(1,622,252)	(1,701,794)	(913,918)
	$ (5,086,589)	$ (6,758,123)	$ (3,853,273)

13. **INCOME TAXES**

The provision for income taxes reported differs from the amounts computed by applying statutory Canadian federal and provincial tax rates to the loss before tax provision due to the following:

	2008	2007
Statutory tax rates	32%	34%
Recovery of income taxes computed at statutory rates	$ 1,775,959	$ 2,305,871
Changes in valuation allowance	(683,415)	(1,593,129)
Impact of decreases in tax rates	(548,378)	(288,056)
Non-deductible expenses	(195,057)	(514,414)
Other	76,840	89,728
Future income tax recovery	$ 425,949	$ -

The approximate tax effect of the temporary differences that gives rise to the Company's future income tax assets and liability are as follows:

	2008	2007
Future income tax assets		
Operating loss carryforwards	$ 3,460,884	$ 2,807,134
Fixed assets	45,435	40,624
Mineral properties and investment in WB JV	3,117,271	2,542,891
Share issuance costs	117,802	241,379
	6,741,392	5,632,028
Valuation allowance on future income tax assets	(6,315,443)	(5,632,028)
	$ 425,949	$ -
Future income tax liability		
Investment in WB JV	(289,749)	-
Marketable securities	(136,200)	-
	$ -	$ -

At August 31, 2008, the Company has non-capital loss carry forwards available to offset future taxable income in Canada of $13 million, which expire at various dates from 2009 to 2028.

14. **DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**

These consolidated financial statements have been prepared in accordance with Canadian GAAP, which differs in certain respects from US GAAP. The significant differences between Canadian and US GAAP affecting the Company's consolidated financial statements are summarized as follows:

Consolidated Balance Sheets

	2008	2007
Total assets under Canadian GAAP	$ 32,492,583	$ 36,764,203
Decrease due to lower investment in WB JV (a)	(16,257,714)	(10,684,707)
Decrease in mineral properties due to expensing of exploration costs (b)	(4,644,988)	(4,256,015)
Marketable securities (c)	-	1,874,001
Total assets under US GAAP	$ 11,589,881	$ 23,697,482
Total liabilities under Canadian GAAP and US GAAP	$ 2,875,761	$ 5,918,764
Shareholders' equity under Canadian GAAP	29,616,822	30,845,439
Cumulative mineral properties adjustment for WB JV (a)	(18,760,215)	(12,588,645)
Cumulative mineral properties adjustment (b)	(4,644,988)	(4,256,015)
Cumulative translation adjustment (b)	2,502,501	1,903,938
Marketable securities (c)	-	1,874,001
Shareholders' equity under US GAAP	8,714,120	17,778,718
Total liabilities and shareholders' equity under US GAAP	$ 11,589,881	$ 23,697,482

Consolidated Statements of Operations

	Year ended August 31, 2008	Year ended August 31, 2007	Year ended August 31, 2006	Cumulative from March 16, 2000 to August 31, 2008 (unaudited)
Net loss under Canadian GAAP	$ (5,086,589)	$ (6,758,123)	$(3,853,273)	$(25,509,516)
Mineral property costs written off (a)	-	1,101,649	834,986	4,101,556
Adjustment for exploration expenditures incurred in WBJV (a)	(5,881,821)	(3,625,104)	(4,998,447)	(18,470,466)
Exploration expenditures (b)	(388,973)	(755,643)	(476,032)	(8,746,544)
Future income taxes (a) (c) (d)	(425,949)	-	5,506	(1,564,044)
Stock based compensation (e)	-	-	(50,200)	960,855
Consulting	-	-	-	(287,250)
Net loss under US GAAP	$ (11,783,332)	$(10,037,221)	$(8,537,460)	$(49,515,409)
Basic and diluted loss per common share under US GAAP	$ (0.19)	$ (0.17)	$ (0.18)	

Consolidated Statements of Cash Flows

	Year ended August 31, 2008	Year ended August 31, 2007	Year ended August 31, 2006	Cumulative from March 16, 2000 to August 31, 2008 (unaudited)
Operating activities				
Operating activities under Canadian GAAP	$ (4,547,428)	$ (3,682,561)	$ (2,356,261)	$(16,656,383)
Deferred exploration (a)(b)	(7,594,871)	(4,587,470)	4,979,915	(27,163,160)
Operating activities under US GAAP	$ (12,142,299)	$ (8,270,031)	$ 2,623,654	$(43,819,543)
Financing activities				
Financing activities under Canadian and US GAAP	$ 2,232,359	$ 12,056,061	$ 16,195,032	$ 52,239,775
Investing activities				
Investing activities under Canadian GAAP	$ (8,574,127)	$ (5,771,234)	$ (6,522,431)	$(33,803,521)
Deferred exploration (a)(b)	7,594,871	4,587,470	(4,979,915)	27,163,160
Investing activities under US GAAP	$ (979,256)	$ (1,183,764)	$(11,502,346)	$ (6,640,361)

(a) *Investment in WBJV*

Under Canadian and US GAAP the Company accounts for its working interest in the WBJV as an investment in the WBJV. Under US GAAP exploration costs are expensed, whereas under Canadian GAAP these expenditures are capitalized to the investment in WBJV.

Under US GAAP, during the year ended August 31, 2008 the Company incurred $5,881,821 (2007 - $3,625,104; 2006 - $4,998,447) in exploration expenditures on behalf of the WBJV and recorded a corresponding amount in the consolidated statement of operations.

In addition, under Canadian GAAP the Company capitalized costs to the investment in WBJV that do not have an associated tax basis and which resulted in a future income tax liability of $289,749. Under Canadian GAAP, the Company adjusted the valuation allowance for future income tax assets by $289,749 and recorded a future income tax recovery of $289,749. Under US GAAP, the costs are not capitalized and a future income tax liability is not recorded. Accordingly, under US GAAP the Company has recorded an adjustment to decrease the future income tax recovery in the statement of operations by $289,749.

(b) *Exploration expenses*

Canadian GAAP allows exploration costs to be capitalized during the search for a commercially mineable body of ore if the Company considers such costs to have the characteristics of fixed assets. Under US GAAP, exploration expenditures on mineral property costs can only be deferred subsequent to the establishment of mining reserves as defined under SEC regulations. For US GAAP purposes the Company has expensed exploration expenditures in the period incurred. The Company believes that these cash expenditures under US GAAP are also more appropriately classified as cash operating activities as they were funded by the Company in the respective periods.

(c) *Marketable securities*

Prior to September 1, 2007, the accounting for the Company's marketable securities was different under US GAAP compared with the accounting under Canadian GAAP. Effective September 1, 2007, the Company adopted CICA Section 3855, *Financial Instruments*, which requires financial instruments to be carried in the financial statements at fair value. Accordingly, under Canadian GAAP the Company increased the carrying value on implementation of Section 3855 by $1,874,001 which is equal to the adjustment recorded for US GAAP purposes at August 31, 2007. However, the accounting for future income taxes with respect to his adjustment is different under Canadian and US GAAP. Under Canadian GAAP, the Company recorded a future income tax liability of $281,100 with a corresponding amount recorded to accumulated other comprehensive income. In addition, under Canadian GAAP the Company adjusted the valuation allowance for future income tax assets by $281,100 and recorded a future income tax recovery of $281,100 in the statement of operations. Under US GAAP, the adjustment to the valuation allowance would have been recorded to accumulated other comprehensive income. Therefore under US GAAP the Company has recorded an adjustment to decrease future income tax recovery by $281,100 and increase the transitional adjustment to accumulated other comprehensive income by $281,100, resulting in a nil impact for US GAAP purposes on the statement of operations.

During the year ended August 31, 2008, decreases in the fair value of the Company's marketable securities resulted in decreases in the future tax liability of $144,900 and required the Company to increase its valuation allowance for future income tax assets and accordingly the Company recorded income tax expense of $144,900 for Canadian GAAP purposes in the statement of operations. For US GAAP purposes the Company recorded an adjustment to decrease future tax expense by $144,900 with a corresponding increase to other comprehensive income. The net amount of $136,200 is reflected as a GAAP difference for the year ended August 31, 2008 in the statement of operations.

SFAS No. 130, *Reporting Comprehensive Income* , requires that an enterprise report, by major components and as a single total, the change in its net assets during the period from non-owner sources. The impact of SFAS No. 130 on the Company's financial statements is as follows:

	Year ended August 31, 2008	Year ended August 31, 2007	Year ended August 31, 2006
Net loss under US GAAP	$ (11,783,332)	$ (10,037,221)	$ (8,537,460)
Other comprehensive income (loss):			
Unrealized gain (loss) on marketable securities	(966,001)	1,520,001	333,375
Translation adjustment	(76,208)	(349,437)	(122,511)
Comprehensive net loss under US GAAP	$ (12,825,541)	$ (8,866,657)	$ (8,326,596)

(d) *Future income taxes*

During the year ended August 31, 2006 a future income tax recovery of $5,506 was recorded under US GAAP relating to flow-through shares previously issued. Under Canadian GAAP, flow-through shares are recorded at their face value, net of related issuance costs. When eligible expenditures are made, the carrying value of these expenditures may exceed their tax value due to the renunciation of the tax benefit by the Company. The tax effect of this temporary difference is recorded as a cost of issuing the shares.

The Financial Accounting Standards Board ("FASB") staff has taken the view that under SFAS No. 109, Accounting for Income Taxes, the proceeds from issuance should be allocated between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. A liability is recognized for this difference. The liability is reversed when tax benefits are renounced and a deferred tax liability is recognized at that time. Income tax expense is the difference between the amount of deferred tax liability and the liability recognized on issuance.

(e) *Accounting for stock-based compensation*

Under US GAAP, the Company follows FASB Interpretation 44 which states that when fixed stock option awards to employees and directors are modified, the stock options must be accounted for as variable from the date of modification to the date the stock options are exercised, forfeited or expire unexercised. The Company re-priced 65,000 stock options issued to employees and directors on March 6, 2002 and accounts for these options as variable with any increase in the market price over the reduced exercise price must be recognized as compensation cost. During the year ended August 31, 2006 changes in the market price of the Company's common shares resulted in additional compensation expense of $50,200. At August 31, 2008 and 2007 none of these options remained outstanding.

(f) *Adopted accounting pronouncements*

Effective September 1, 2007, the Company adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48). This interpretation clarifies the recognition threshold and measurement of a tax position taken on a tax return, and requires expanded disclosure with respect to the uncertainty in income taxes. The adoption of FIN 48 on September 1, 2007 did not impact the Company's financial condition or results of operations.

(g) *Recent accounting pronouncements*

In September 2006, the FASB issued SFAS 157, Fair Value Measurements ("SFAS 157"), which is effective for fiscal years beginning after November 15, 2007 and for interim periods within those years. During 2008, the FASB issued FASB Staff Position No. FAS 157-2 ("FSP FAS 157-2"), which delays the effective date of SFAS 157 to fiscal years beginning after November 15, 2008 for all nonrecurring fair value measurements of non financial assets and non financial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis including those measured at fair value in goodwill impairment testing, asset retirement obligations initially measured at fair value, exit and disposal costs initially measured at fair value, and those initially measured at fair value in a business combination. SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The Company is currently evaluating the impact that SFAS 157 and FSP FAS 157-2 will have on its financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159") including an amendment of FASB Statement No. 115. This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of this Statement apply only to entities that elect the fair value option. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years, and is applicable beginning in the Company's first quarter ended November 30, 2008. The Company is currently evaluating the impact that FAS 159 will have on its financial statements.

In December 2007, the FASB issued Statement No. 141 (revised 2007), "Business Combinations" (SFAS No. 141(R)). This Statement replaces SFAS No. 141, "Business Combinations" and requires an acquirer to recognize the assets acquired, the liabilities assumed, including those arising from contingent considerations and contractual contingencies based on their fair values as measured on the acquisition date. In addition, SFAS No. 141(R) requires the acquirer to measure the non-controlling interest in the acquiree at fair value, which will result in recognizing the goodwill attributable to the non-controlling interest in addition to the goodwill attributable to the acquirer. SFAS No. 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Since Statement 141(R) will only be applicable to future business combinations, it will not have a significant effect on the Company's financial position, results of operations or cash flows prior to such acquisitions.

In December 2007, the FASB issued Statement No. 160, "Non-controlling Interests in Consolidated Financial Statements" (SFAS No. 160). SFAS No. 160 amends Accounting Research Bulletin 51, "Consolidated Financial Statements," to establish accounting and reporting standards for the non-controlling interest in a subsidiary and for the deconsolidation of a subsidiary. This Statement clarifies that a non-controlling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS No. 160 changes the way the consolidated earnings (loss) statement is presented by requiring consolidated net earnings (loss) to be reported including the amounts attributable to both the parent interest and the non-controlling interest. The Statement requires disclosure on the face of the consolidated statement of operations of the amounts of consolidated net earnings (loss) attributable to the parent interest and to the non-controlling interest. SFAS No. 160 is effective for fiscal periods, and interim periods within those fiscal years, beginning on or after December 15, 2008. The Company expects that the adoption of SFAS 160 will not have significant effect on the Company's financial position, results of operations or cash flows.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133" (SFAS No. 161). SFAS No. 161 expands quarterly disclosure requirements in SFAS No. 133 about an entity's derivative instruments and hedging activities. SFAS No. 161 is effective for fiscal years beginning after November 15, 2008. The Company is currently assessing the impact of SFAS No. 161 on its future disclosures.

15. SUBSEQUENT EVENTS

(a) On September 2, 2008 the Company announced the signing of a term sheet with Anglo Platinum and Wesizwe Platinum to consolidate and rationalize the ownership of the WBJV. In the proposed transaction Anglo Platinum will vend its entire 37% interest in the WBJV to Wesizwe for common shares representing a 26.5% interest in Wesizwe. The Company will concurrently acquire a 37% interest in Projects 1 and 3 from Wesizwe in consideration of its 18.5% interest in Project 2 and Rand 408 million in cash (approximately $51.0 million at September 2, 2008). This will bring the Company's interest in Projects 1 and 3 to 74% while at the same time eliminating its holdings in Project 2. The cash payment to Wesizwe will be deferred until six months after closing the proposed transaction and will then be held in escrow to be applied towards Wesizwe's capital requirements for the Projects 1 and 3. The final agreement is still to be finalized and executed by all parties.

Under the terms of the proposed transaction equalization amount due to Anglo Platinum under the terms of the original WBJV agreement (See Note 5) will become payable on the later of December 31, 2008 or the effective date of the final agreement. The effective date will occur once all conditions precedent have been fulfilled. It is anticipated this date will be several months after the execution of definitive agreements, which at November 12, 2008 are in process of being finalized. In the event the Company does not make the equalization payment on the date required, Anglo Platinum may elect to extend the payment deadline for six months, with interest, or they may elect to take payment in common shares of Wesizwe, at which point the right to accept the equalization payment would transfer to Wesizwe.

(b) On October 3 and October 7, 2008 the Company closed a non-brokered private placement for $7,611,229 upon the issue of 4,910,470 common shares at a price of $1.55 per share. A finders' fee of $186,000 in cash and a further 60,000 shares at the offering price was paid in respect of certain of the subscriptions.

(c) On October 15, 2008 the Company granted 1,727,000 incentive stock options at a price of $1.60 per share to Directors, Officers, and employees.

Platinum Group Metals Ltd.
(Exploration Stage Company)
Supplementary Information and MD&A
For the year ended August 31, 2008

Dated: November 29, 2008

A copy of this report will be provided to any shareholder who requests it.

Management Discussion and Analysis

1. DESCRIPTION OF BUSINESS

Platinum Group Metals Ltd. (the "Company" or "Platinum Group") is a British Columbia corporation incorporated on February 18, 2002 by an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation. The Company is an exploration and development company conducting work primarily on mineral properties it has staked or acquired by way of option agreement in Ontario, Canada and the Republic of South Africa. The Company has completed a definitive Feasibility Study with respect to its Western Bushveld Joint Venture ("WBJV") and included in this Study dated July 7, 2008 is the declaration of reserves at that time. The Company defers all acquisition, exploration and development costs related to mineral properties. The recoverability of these amounts is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of the property, and any future profitable production; or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

This management discussion and analysis ("MD&A") of the Company focuses on the financial condition and results of operations of the Company for the years ended August 31, 2008 and 2007. It is prepared as of November 21, 2008 and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended August 31, 2008 together with the notes thereto.

All references herein to "dollars" or "$" refer to Canadian dollars unless otherwise stated.

2. DISCUSSION OF OPERATIONS AND FINANCIAL CONDITIONS

a) Results of Operations

Any reference to "year" refers to the twelve month period ended August 31, 2008.

At August 31, 2008 the Company had cash, cash equivalents and short term investments on hand of $1,779,871 as compared to $14,699,067 on August 31, 2007. Of this amount approximately $Nil (August 31, 2007 – $3,613,919) relates to amounts advanced from the partners of the WBJV to fund their share of the remaining portion of approved work programs. The Company was owed $720,958 by the WBJV partners for WBJV expenditures at August 31, 2008 and received this amount subsequent to year end. Accounts payable at period end totaled $2,875,761 (August 31, 2007 - $2,304,845) and of this ($1,872,000) was payable against Surface rights. $54,000 was payable against technical and exploration work completed for the WBJV. The Company also held marketable securities at year end with a fair value of $1,118,000 (August 31, 2007 – cost of $210,000).

During the year the Company incurred a net loss before taxes of $5,512,538 (2007 - $6,758,123). Before a non-cash charge for stock based compensation of $580,128 (2007 - $1,487,661) and mineral property costs written off of $Nil (2007 - $1,323,222), general and administrative expenses totaled $5,175,749 (2007 - $4,380,667). Interest earned amounted to $243,339 (2007 - $434,949). The $795,082 increase in administrative expenses over the comparative year is explained for the most part by a $556,480 increase in professional fees from $416,945 in 2007 to $973,425 in 2008, an increase in travel expenses of $202,174 from $656,965 in 2007 to $859,139 in 2008, and an increase in management and consulting fees by $153,254 from $690,504 in 2007 to $843,758 in 2008. These costs increased as a result of the Company's efforts during the year to complete (and review for its own account) a Feasibility Study on Project 1 of the WBJV and the Company's use of strategic advisors and legal assistance during negotiations with Anglo Platinum and Wesizwe Platinum. These costs were offset by a $88,257 decrease in shareholder relations from $216,597 in 2007 to $128,340 in 2008, and by a $54,536 decrease in salaries and benefits from $1,400,258 in 2007 to $1,345,722 in 2008.

Apart from interest of $243,339 (2007 - $434,949) earned on cash deposits during the year the Company had no significant revenues to report. In October 2008 the Company closed a non-brokered private placement for net cash proceeds of $7,425,229.

During the year Wesizwe Platinum Ltd. completed the acquisition of 100% of the Company's Black Economic Empowerment partner Africa Wide Mining and then repaid the Company $18,750 for the cost of administrative amounts due and $211,840 for past costs due for the Tweespalk property and also paid outstanding amounts due to the WBJV of $2,991,745.

Total global exploration and engineering expenditures for the Company's account, including the Company's share of WBJV expenditures during the year totaled $6,733,094 (2007 - $4,531,533). Of this amount $6,132,281 was for the WBJV (2007 - $3,775,890) and $600,813 was for other exploration (2007 - $755,643). After meeting its earn in requirements in April 2006, Platinum Group is currently responsible only for its 37% pro-rata share of expenditures for the WBJV. Total WBJV expenditures during the year by all WBJV partners amounted to $17,359,357 (2007: $10,497,472).

Work programs approved by the partners of the WBJV since 2006 have been completed at the time of writing. The partners shared the cost of work programs pro-rata to their interest in the WBJV. Rand 201 million (approximately $28.7 million) was budgeted for work and funded by the partners of the WBJV since 2006. The work was completed on budget including scope changes approved by the partners during the year. During April 2008 the participants of the WBJV also approved and funded a budget for the acquisition of long lead capital items in the amount of R 21.086 million (approximately $2.74 million). Activities for the WBJV have included research and data review, prospecting, mapping, detailed engineering, drilling of project areas, geophysical studies, geotechnical work, metallurgical studies and mine plan and scheduling work.

On January 10, 2007, the Company completed a positive pre-feasibility study for the Project 1 area of the WBJV titled "Technical Report – Western Bushveld Joint Venture, Project 1 (Elandsfontein and Frischgewaagd)" and filed the report on SEDAR January 30, 2007. During 2007 the WBJV then commissioned an independent Feasibility Study for the Project 1 area of the WBJV, which was completed and delivered to the partners of the WBJV on June 30, 2008. Details of the Feasibility Study were published by the Company in a news release dated July 7, 2008.

The Feasibility Study recommends a series of three simultaneous declines accessing the Project 1 deposit with a mining rate of 140,000 tonnes per month. First ore is reached by development 13 months from the commencement of underground work. Mining is only scheduled on the reserves. There are a further 1.26 million ounces of Inferred Resources in the Project 1 area which may represent some additional production potential. The lower grade UG2 resources also provide some future opportunities. The mining and development plan includes conventional hand held drilling utilizing electrical drills and scraper winch cleaning similar to the successful conventional mining at the adjacent producing Bafokeng Rasimone Platinum Mine. Declines and primary access to the deposit is designed for development with mechanized equipment. Ore is initially to be hauled out of the mine with mechanized equipment and assisted then by conveyor from year 4 of mine life to end of mine life.

The Merensky Reef is planned to be mined at widths between 93cm and 176cm at an average of 115cm and the UG2 Reef is planned to be mined at widths between 105cm and 205cm at an average of 153cm.

At the recommended mining rate and modifying factors the mine plan generates approximately 235,000 – 271,000 platinum, palladium, rhodium and gold, ("4E") ounces in concentrate per year, of which approximately 160,000 ounces are platinum at full steady state ounce production for 9 years from the Merensky Reef horizon with a 22 year mine life.

The results of the Feasibility Study show a 20.08% Internal Rate of Return "IRR" (pre-tax) Base Case, using 3 year trailing metal prices to June 2008, calculated on the monthly averages including US$1,295 per ounce for platinum. The Feasibility Study model does not include escalation due to inflation of costs or metal prices. At November 4, 2008 the three year trailing metal prices were above those used in the study. At November 4, 2008 the spot prices of all metals included in the basket price calculation were below the three year trailing metal prices as at June 2008. Platinum was quoted at US$843 on November 4, 2008.

Average life-of-mine cash operating costs to produce concentrate were estimated at R451 per tonne (US$56.38 at July 7, 2008) of ore or R3,504 (US$438 at July 7, 2008) per 4E ounce on a life of mine basis. The Merensky Reef layer represents the first 15 years of production and the basket price per 4E ounce is modeled at US$1,168 (3 year trailing prices). The UG2 layer represents the balance of the production. The model includes a subsequent average 15.16% discount from the metal price to estimate the smelter pay discount. Operating margin life of mine on three year trailing 4E (4 elements - platinum, palladium, rhodium and gold) metal prices to June 2008 was approximately US$739 per ounce.

The project has an estimated life of 22 years with 9 years at a steady state of production of 235,000 to 271,000 ounces per year. The capital cost for the mine and concentrator complex are estimated at R4.055 billion (US$422 million at November 4, 2008) for peak funding and R5.474 billion (US$570 million at November 4, 2008) for life of mine funding. The capital cost estimate includes R506 million (US$53 million at November 4, 2008) for the capital costs for self-generation of the electrical requirements of the project to the end of 2012 at full production levels. This includes the entire infrastructure for power including diesel storage. If grid power becomes available it will significantly reduce electricity costs. Eskom has indicated that an allocation of 2 MW should be available for the construction phase of the project, and this has been assumed in the Feasibility Study. A contingency of R467 million (US$49 million at November 4, 2008) is included in the overall capital estimate.

Based on the three year trailing average metals prices, current exchange rates and probable lowering of input costs at the current time no change has been made to the Feasibility Study information and reserves and resources. The agreement of the WBJV calls for a "decision to mine" to be made within 90 days of the Feasibility Study. However, due to events detailed below, this has been deferred by mutual consent of the partners.

On September 2, 2008 the Company announced in a news release its agreement to a term sheet with Anglo Platinum and Wesizwe Platinum to consolidate and rationalize the WBJV. Under the terms Platinum Group will control 74% of the WBJV Projects 1 and 3 and Wesizwe will control 100% of Project 2 and 26% of Projects 1 and 3. The term sheet is subject to regulatory and other approvals and the completion of definitive agreements. In the transaction Anglo Platinum will vend its 37% interest in the WBJV to Wesizwe for common shares representing a 26.5% interest in Wesizwe. Platinum Group will concurrently acquire a 37% interest in Projects 1 and 3 from Wesizwe in consideration of Platinum Group's interest in Project 2 and R408.6 million (approx. C $49 million at the time of writing) in cash. The cash payment to Wesizwe is to deferred until six months after closing the proposed transaction and will be held in escrow to be applied towards its capital contribution for the Projects 1 and 3. Steps to the proposed transaction are as follows:

1. Wesizwe will purchase Anglo Platinum's 37% interest in the WBJV, comprised of 37% of Projects 1 and 3 and 18.5% of Project 2 (part of the Wesizwe Frischgewaagd-Ledig main project), for 211,850,125 Wesizwe common shares.

2. In a concurrent transaction Platinum Group will purchase the 37% interest in Projects 1 and 3 from Wesizwe for 785.5M Rand (approx. C $94 million at November 10, 2008), offset by the sale to Wesizwe of Platinum Group's 18.5 % of Project 2 for 376.9M Rand (approx. C $45 million at November 10, 2008).

3. The balance, due by Platinum Group, of 408.6M Rand is to be paid into an escrow account within 6 months of the formal closing of this transaction. The escrow account will then be drawn down to satisfy Wesizwe's obligations for the capital account of Projects 1 and 3. If the payment for the balance due is not made by Platinum Group then Wesizwe shall be entitled to claw back approximately 19% in the Projects.

The basis of valuation for the negotiations was the 10% discount rate NPVs of the Projects with platinum at US$1,199 per ounce for all projects and a Rand-to-Dollar exchange rate set at 8. The project models included the Feasibility Study results for Projects 1 and 2 and preliminary engineering on Project 3.

The settlement of the "equalization payments" currently due to Anglo Platinum under the terms of the WBJV are to be settled by Wesizwe in common shares and by Platinum Group in cash by the later of the closing date of the transaction or December 31, 2008. At present, equalization payments due are approximately US$18 million payable by Wesizwe and US$20 million payable by Platinum Group. If Platinum Group does not pay Anglo Platinum by the due date, Anglo Platinum shall elect to provide up to a 6 month extension with interest, Anglo Platinum shall then elect to take Wesizwe shares for the amount due and the obligation of Platinum Group will pass to Wesizwe. A total make up of approximately US$2.0M is also payable by Platinum Group to Wesizwe for past exploration costs incurred on Project 2.

The parties have agreed to suspend the 90 day deadline for a Decision to Mine under the terms of the WBJV until the transaction is completed or a condition precedent is not able to be fulfilled. Anglo Platinum will hold a 60 day first right of refusal on the sale of ore or concentrate over the original WBJV mineral rights.

The closing of the proposed transaction is pending the completion of definitive agreements and certain conditions precedent, such as shareholder, regulatory and governmental approvals. The deadline to enter into the definitive agreements has been extended by the parties to December 6, 2008. At the time of writing the definitive agreements are nearing completion and the fulfillment of all conditions precedent is expected to then take several months beyond the execution of the agreements.

Details of the Company's Revised Attributable Reserves and Resources in the proposed transaction are shown below at Item 2d. "Exploration Programs and Expenditures". A technical report titled "WBJV Project 1, July 7, 2007 Effective Date – Feasibility Study" was filed on SEDAR August 21, 2008.

The Company also maintains two other projects in South Africa on the North Limb of the Bushveld Complex. The Tweespalk and War Springs projects are currently the subject of renewed consideration. During the year the Company conducted new soil and geological surveys on the War Springs project. On March 17, 2008 the Company published a revised and updated resource calculation for the War Springs property based on drilling and exploration work conducted in the last three years. (See Item 2d. "Exploration Programs and Expenditures" below). Further work programs for the War Springs project in 2009 are currently being considered.

During the period the Company has conducted a new business generative program. Research and implementation, including the staking of several new license areas on or near to the Bushveld Complex, has cost approximately $576,552. The Company has received the grant of several new prospecting permits as a result of this work and several more are expected in the months ahead.

The Company also conducted work on its Canadian projects during the period. A 1,125 metre drill program was completed on the Company's Lac Des Iles projects in the first quarter. A further small drilling program is planned for late 2008. The Company maintains a large mineral rights position in the Lac des Iles area north of Thunder Bay as a strategic holding against potential increasing prices for palladium and platinum. Encouraging exploration results for palladium, platinum, nickel and copper continue to be returned and the Company plans to invest further in this area in the future.

For more information about the WBJV and the Company's other mineral properties please refer to Notes 5. and 6. of the Company's August 31, 2008 audited financial statements and below for further discussion regarding the WBJV.

Since 2005 the Company has seen its compliment of staff, consultants and casual workers increase from approximately 20 to approximately 50 individuals in 2008. Office space and support services requirements in Canada and South Africa have also increased to accommodate these people. As the WBJV has matured there has been a need for more administration and management oversight from Canada with a corresponding increase in travel and communication expenses. At the same time the general market for both skilled and unskilled personnel in Canada and South Africa has seen increases in general compensation costs. The Company's listing on the American Stock Exchange in 2007 and the costs of compliance with Sarbanes-Oxley legislation in the USA and Multilateral Instrument 52-109 in Canada have resulted in increased professional fees in the year ended August 31, 2008. At the time of writing the global economic situation and capital markets have become uncertain and the Company will review its ongoing plans, use of outside professional staff, use of consultants and internal staffing requirements on a regular basis.

The Company still actively reviews many potential property acquisitions in the normal course of business. The Company also makes efforts to raise its profile and liquidity in the capital markets.

The following tables set forth selected financial data from the Company's annual audited financial statements and should be read in conjunction with those financial statements:

	Year ended Aug. 31, 2008	**Year ended Aug. 31, 2007**	**Year Ended Aug. 31, 2006**
Interest earned	$243,339 (1)	$434,949	$72,597
Net Loss	($5,086,589) (2)	($6,758,123)	($3,853,273)
Net Loss per Share	($0.08)	($0.12)	($0.08)
Total Assets	$32,492,583 (3)	$36,764,203	$27,664,441
Long Term Debt	Nil	Nil	Nil
Dividends	Nil	Nil	Nil

Explanatory Notes:

(1) The Company's only significant source of revenue during the years ending August 31, 2006 to 2008 was interest revenue from GIC's held by the Company. The amount of interest earned correlates directly to the amount of cash on hand during the period referenced.

(2) The Company's net loss increased during the years ending August 31, 2006 to 2007 and then decreased in 2008 due to several factors. A large factor is stock compensation expense which totalled $580,128 in 2008, $1,487,661 in 2007, and $110,176 in 2006. Another factor is the write off of deferred mineral property costs of $Nil in 2008, $1,323,222 in 2007, and $1,174,325 in 2006. If one removes the effect of these two factors from each fiscal year the recorded annual loss becomes modified to $4,506,461 for 2008, $3,947,240 for 2007, and $2,568,772 for 2006. During fiscal 2007 the Company completed a listing on the American Stock Exchange and for the first time was required to certify its internal and disclosure controls under Sarbanes-Oxley legislation in the USA as well as Multilateral Instrument 52-109 in Canada. This resulted in an increase in professional fees in 2007 over 2006 of $150,722. Professional fees increased by $556,480 from 2007 to 2008 due to continuing compliance costs for Sarbanes-Oxley, the use of external engineers to review the Feasibility Study for Project 1 of the WBJV and the Company negotiating the reorganization of the WBJV. This reorganization resulted in additional travel by management to South Africa and Europe which has increased travel expenses by $202,174 in 2008 over 2007. Management and consulting fees increased by an aggregate $153,254 in 2008 as a result of the engagement of a strategic advisor during the year. The remaining year-on-year increase in this modified loss value is then explained by the Company's activities as described above at "Discussion of Operations and Financial Condition".

(3) Total assets had been increasing year-on-year primarily as a result of the Company's cash balance and continued investment in mineral properties funded by completion of private placement equity financings. However during the year ended August 31, 2008 the Company did not complete any equity financings, and the South African Rand, depreciated against the Canadian dollar, resulting in total assets decreasing. At August 31, 2008 the Company held $1,779,871 (2007 -$14,669,067) in cash and cash equivalents and short term investments. At August 31, 2006 the Company held $10,066,801 in cash and cash equivalents.

The following table sets forth selected quarterly financial information for each of the last eight (8) quarters.

Quarter Ending	**Interest** [1]	**Net Loss** [2]	**Net Loss per share**
August 31, 2008	$22,396	($1,143,001)	($0.02)
May 31, 2008	$38,027	($1,307,784)	($0.02)
February 29, 2008	$78,337	($1,430,050)	($0.02)
November 30, 2007	$104,579	($1,205,754)	($0.02)
August 31, 2007	$137,331	($1,392,894)	($0.03)
May 31, 2007	$119,764	($1,027,268)	($0.02)
February 28, 2007	$92,799	($2,158,649)	($0.03)
November 30, 2006	$85,055	($2,179,312)	($0.04)

The Company has not declared nor paid dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

b) Trend Information

Other than the financial obligations as set out in the table provided at Item 6. below, there are no demands or commitments that will result in, or that are reasonably likely to result in, the Company's liquidity either increasing or decreasing at present or in the foreseeable future. The Company will require additional capital in the future to meet both its contractual and non-contractual project related expenditures as set out in the table at Item 6. below. It is unlikely that the Company will generate sufficient operating cash flow to meet all of these expenditures in the foreseeable future. Accordingly, the Company will need to raise additional capital by issuance of securities or by a sale or partnering of project interests in order to meet the payment requirements of the proposed transaction announced September 2, 2008. See discussions at item 2. a) "Results of Operations" above and at item 6. "Liquidity and Capital Resources" below. The Company has completed a Feasibility Study for the Project 1 area of the WBJV. If a production decision is taken the Company will most likely pursue both equity and debt financing for its share of the capital requirements for that project.

Since mid calendar 2008 there has been a negative trend with regard to the market for metal commodities and related products. See "Economic and Political instability may affect the Company's business" under Item 2c. "Risk Factors" below.

c) Risk Factors

The Company's securities should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in the Company's Canadian and U.S. regulatory filings prior to making an investment in the Company. For a discussion of risk factors applicable to the Company, see the section entitled "Risk Factors" in the Company's most recent annual information form filed with Canadian provincial securities regulators, which was also filed as part of the Company's most recent annual report on Form 40-F with the S.E.C. Without limiting the foregoing, the following risk factors should be given special consideration when evaluating an investment in the Company's securities.

General

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity and quality to return a profit from production.

The Company's business is subject to exploration and development risks

All but one of the Company's properties are in the exploration stage and no known reserves have been discovered on such properties, the exception being the development stage Project 1 of the WBJV (see Item 2d. "Exploration Programs and Expenditures" below). At this stage, favorable results, estimates and studies are subject to a number of risks, including:

- the limited amount of drilling and testing completed to date;
- the preliminary nature of any operating and capital cost estimates;
- the difficulties inherent in scaling up operations and achieving expected metallurgical recoveries;
- the likelihood of cost estimates increasing in the future; and
- the possibility of difficulties procuring needed supplies of electrical power and water.

There is no certainty that the expenditures to be made by us or by our joint venture partners in the exploration of the properties described herein will result in discoveries of precious metals in commercial quantities or that any of our properties will be developed. Most exploration projects do not result in the discovery of precious metals and no assurance can be given that any particular level of recovery of precious metals will in fact be realized or that any identified resource will ever qualify as a commercially mineable (or viable) resource which can be legally and economically exploited. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permit regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of precious metals ultimately discovered may differ from that indicated by drilling results. There can be no assurance that precious metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

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[1] The Company's primary source of revenue during the quarters listed above was interest revenue from GIC's held by the Company. The amount of interest revenue earned correlates directly to the amount of cash on hand during the period referenced.

[2] Net losses by quarter are often materially affected by the timing and recognition of large non-cash expenses or write-offs. For example, the quarter ended August 31, 2008 includes a non-cash charge for stock based compensation in the amount of $Nil, and the quarter ended May 31, 2008 includes a non-cash charge for stock based compensation in the amount of $187,931. The quarter ended February 29, 2008 includes a non-cash charge for stock based compensation in the amount of $250,830. The quarter ended November 30, 2007 includes a non-cash charge for stock based compensation in the amount of $141,367. The Quarter ended August 31, 2007 includes a non-cash charge for stock based compensation in the amount of $91,795. The May 31, 2007 quarter includes a non-cash charge for stock based compensation in the amount of $11,890. The February 28, 2007 quarter includes a non-cash charge for stock based compensation in the amount of $1,171,517. The quarter ended November 30, 2006 includes a non-cash charge for stock based compensation of $212,459 and a mineral property write off for $1,323,222. When adjusting these non-cash charges the results for the quarters listed show a more consistent trend, with a general growth in expenses over time that is consistent with the Company's increased exploration and corporate activities over the past two years as described above at "Discussion of Operations and Financial Condition".

Economic and Political instability may affect the Company's business

Since mid calendar 2008 there has been a negative trend with regard to the market for metal commodities and related products as a result of global economic uncertainty, reduced confidence in financial markets, bank failures and credit availability concerns. These macro-economic events have negatively affected the mining and minerals sectors in general. The Company's market capitalization has been significantly reduced. Although these circumstances may improve over the longer term, the short term impact upon the Company's liquidity and its ability to raise the capital required to execute its business plans going forward will be negative. As a result the Company will consider its business plans and options carefully going forward into 2009. The Company's intends to preserve its cash balances to the greatest extent possible by curtailing capital and operational expenditures where possible.

The Company has assessed the carrying values of its mineral properties as a result of the market downturn. Based on current and expected metals prices and cost structures, management has determined that the values of the Company's mineral properties have not been impaired at this time. However, should current market conditions and commodity prices worsen and/or persist for a prolonged period of time, an impairment of mineral properties may be required.

South Africa has undergone significant change in its government and laws since the free elections in 1994. At present, Mining Legislation in South Africa is continuing to undergo change. The new Mineral and Petroleum Resources Development Act became law on May 1, 2004. The regulation and operation of this new law is still being implemented. In association with the new Act, the Mining Charter sets out a target of 26% ownership and participation in the mineral industry by "Historically Disadvantaged Persons" within ten years, but the mechanisms to fully affect this objective are still evolving. Accordingly, the South African legal regime may be considered relatively new, resulting in risks related to the possible misinterpretation of new laws, unilateral modification of mining or exploration rights, operating restrictions, increased taxes, environmental regulation, mine safety and other risks arising out of new sovereignty over mining, any or all of which could have an adverse affect on the Company. There is no certainty that the Company will be able to convert its existing exploration rights into mining rights. The Company's operations in general may also be affected in varying degrees by political and economic instability, terrorism, crime, fluctuations in currency exchange rates and inflation.

The Company is subject to risk of fluctuations in the relative values of the Canadian Dollar as compared to the South African Rand and the U.S. Dollar

The Company may be adversely affected by foreign currency fluctuations. The Company is primarily funded through equity investments into the Company denominated in Canadian Dollars. In the normal course of business the Company enters into transactions for the purchase of supplies and services denominated in South African Rand. The Company also has cash and certain liabilities denominated in South African Rand. Several of the Company's options to acquire properties or surface rights in the Republic of South Africa may result in payments by the Company denominated in South African Rand or in U.S. Dollars. Exploration, development and administrative costs to be funded by the Company in South Africa will also be denominated in South African Rand. Fluctuations in the exchange rates between the Canadian Dollar and the South African Rand or U.S. Dollar may have an adverse or positive affect on the Company. In the past year to November 10, 2008 the South African Rand has devalued by approximately 16% to the Canadian dollar and the Canadian dollar has devalued by approximately 19% to the U.S. dollar.

The Company's properties are subject to title risks

The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. These defects could adversely affect the Company's title to such properties or delay or increase the cost of the development of such properties. In addition, the Company's properties may be subject to aboriginal or other historical rights that may be claimed on Crown properties or other types of tenure with respect to which mineral rights have been conferred. The Company is not aware of any aboriginal land claims having been asserted or any legal actions relating to native issues having been instituted with respect to any of the mineral properties in which the Company has an interest. The Company is aware of the mutual benefits afforded by co-operative relationships with indigenous people in conducting exploration activity and is supportive of measures established to achieve such co-operation.

Environmental risk

Environmental legislation on a global basis is evolving in a manner that will ensure stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessment of proposed development and a higher level of responsibility for companies and their officers, directors and employees. There is no assurance that future changes to environmental legislation in Canada or South Africa will not adversely affect the Company's operations. Environmental risks may exist on properties in which the Company holds interests which are unknown at present and which have been caused by previous or existing owners or operators. Furthermore, future compliance with environmental reclamation, closure and other requirements may involve significant costs and other liabilities. In particular, the Company's operations and exploration activities are subject to Canadian and South African national and provincial laws and regulations governing protection of the environment. Such laws are continually changing, and in general are becoming more restrictive.

The mineral exploration industry is extremely competitive

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies that possess greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable new producing properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel.

Metal prices affect the success of the Company's business

Metal prices have historically been subject to significant price fluctuation. No assurance may be given that metal prices will remain stable. Significant price fluctuations over short periods of time may be generated by numerous factors beyond the control of the Company, including domestic and international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increases or decreases in production due to improved mining and production methods. Significant reductions or volatility in metal prices may have an adverse effect on the Company's business, including the economic attractiveness of the Company's projects, the Company's ability to obtain financing and, if the Company's projects enter the production phase, the amount of the Company's revenue or profit or loss. The current spot metals prices are significantly below the three year trailing average prices used to asses the Company's Project 1 Feasibility in July 2008. Long term and short term prices are currently volatile.

d) Exploration Programs and Expenditures

General

The Company continues to be active in the Republic of South Africa ("RSA"). In 2003 the Company acquired a 100% South African subsidiary named Platinum Group Metals RSA (Pty.) Ltd. ("PTM RSA") for the purposes of holding mineral rights and conducting operations on behalf of the Company. The Company conducts all of its South African exploration and development work through PTM RSA.

Mineral property acquisition and capital costs deferred during the year totaled $1,065,570 (2007 - $365,514). Of this amount acquisition costs relating to the Company's 37% pro-rata share of the WBJV amounted to $858,189 (2007 - $23,075). The Company also issued 50,000 shares (2007 – 50,000 shares) at a value of $165,500 (2007 - $230,000) for property acquisition costs related to the Company's obligation to acquire certain portions of the farm Onderstepoort. The balance $41,881 (2007 - $112,439) was spent on other mineral property costs in Canada and South Africa. Exploration costs incurred globally in the year for the Company's interests totaled $6,733,094 (2007 - $4,531,533). Of that amount $166,042 (2007 - $172,171) was incurred on the Company's Canadian properties and $6,567,052 (2007 - $4,359,362) was incurred on the Company's South African properties. Of the South African amount, $6,132,281 was for the Company's 37% share of WBJV expenditures (2007 - $3,775,890). The total amount (100%) of exploration expenditures by all Joint Venture partners for the year for the WBJV came to $14,874,427 which was higher than the 100% amount spent last year (2007 - $10,205,108).

During the year there were no write-offs in deferred costs relating to South African or Canadian projects, while write-offs in 2007 amounted to $1,323,222 for Canada and $Nil for South African properties. For more information on mineral properties see Note 5 and 6 of the Company's August 31, 2008 Audited Consolidated Financial Statements.

Western Bushveld Joint Venture

On October 26, 2004 the Company (37%) entered into a Joint Venture with Anglo Platinum Limited ("Anglo Platinum") (37%) and Africa Wide Mineral Prospecting and Exploration (Pty) Limited ("Africa Wide") (26%) to pursue platinum exploration and development on combined mineral rights covering approximately 67 square kilometres on the Western Bushveld Complex of South Africa. The Company contributed all of its interests in portions of the farms Onderstepoort 98 JQ and Elandsfontein 102 JQ. Anglo Platinum contributed its interests in portions of the farms Koedoesfontein 94 JQ, Elandsfontein 102 JQ and Frischgewaagd 96 JQ.

The Company is the operator of the WBJV. From October 2004 to April 2006 the Company funded a required exploration program in the amount of Rand 35 million (at August 31, 2005 approx. C$6.44 million). Since then the partners of the WBJV have funded their portion of further expenditures pro-rata based upon their working interest in the Joint Venture. Work programs approved by the partners totaling Rand 201 million (approximately $28.7 million) since 2006 have been completed to October 2008. During April 2008 the participants of the WBJV also approved and funded a budget for the acquisition of long lead capital items (mine shaft hoists) in the amount of R 21.086 million (approximately $2.74 million). Activities for the WBJV have included research and data review, prospecting, mapping, detailed engineering, drilling of project areas, geophysical studies, geotechnical work, metallurgical studies, pre-feasibility and feasibility studies, and mine plan and scheduling work.

In April 2007 Africa Wide accepted an offer for the purchase of 100% their company from Wesizwe Platinum Ltd. (WEZ:JSE). The transaction closed in September 2007 and Wesizwe paid consideration of 57.4 million new shares of Wesizwe at a deemed price of Rand 10.48 per share for total consideration of Rand 601.5 million (approximately C$90 million). Since September 2007 Wesizwe has become responsible for all of the rights and obligations of Africa Wide.

On April 9, 2007 the Company announced the formal contribution to the WBJV of a 50% interest in the mineral rights to the 494 hectare Portion 11 of the Farm Frischgewaagd 96 JQ ("Portion 11") by Rustenburg Platinum Mines Ltd., a subsidiary of Anglo Platinum. With this addition the geographic area of the WBJV now covers approximately 72 square kilometres of territory.

Under the terms of the original WBJV agreement, once a final Feasibility Study has been completed and a decision to mine has been taken the respective deemed capital contribution of each party will be credited based on their contribution of measured, indicated, and inferred PGM ounces from the contributed properties comprising the WBJV, determined in accordance with the South African SAMREC code. Under the terms of the original WBJV Agreement, inferred ounces will be credited at US$0.50 per ounce, indicated ounces will be credited at US$3.20 per ounce and measured ounces will be credited at US$6.20 per ounce. The Company will also be credited for its Rand 35 million expenditure as described above. For the later contribution of Portion 11 to the WBJV the original credit rates for equalization as described above have been amended to US$0.62 per inferred ounce, US$10.37 per indicated ounce and US$39.55 per measured ounce in order to adjust for market conditions at the time. At the time of writing the estimated equalization payment due to Anglo Platinum by the Company is approximately US$20 million.

A Feasibility Study for Project 1 of the WBJV was delivered to the partners on June 30, 2008 and results thereof were published by the Company in a news release dated July 7, 2008.

Further drilling is planned to investigate additional areas with reef potential along strike on Project 3 within the Joint Venture area. Since January 2005 PTM has drilled more than 178,000 metres of core in 274 boreholes, including 37 geotechnical holes.

The Company provided a statement of Reserves and Resources with the Feasibility Study. Resources in the Measured and Indicated categories can be included in a financial model under SAMREC and NI-43-101 guidelines. Summary resource details from published reports for Project 1 and Project 3 follow in the table below. Platinum Group will hold a 74% interest in the 4E ounces attributable to Projects 1 and 3 of the WBJV under the terms of the proposed transaction announced on September 2, 2008. See Item 2. a) "Results of Operations" above for more detail. The prill splits and 4E estimates for Project 1 and 3 have been tested for reasonableness by kriging on the individual elements. Copper and nickel as well as the minor platinum group elements have also been estimated with a statistical process of Simple Kriging for Project 1. Absent values for copper, nickel and the minor platinum group elements have been derived from regressed values.

The reader should take note that in the event the proposed transaction announced September 2, 2008 and described herein does not close or become effective, the Company will not have a 74% in the reserves and resources for Projects 1 and 3 as reported below. Instead the Company will revert to its original 37% interest in Projects 1 and 3 and 18.5% in Project 2 as last reported in the Revised Attributable Reserves and Resources statement for the WBJV Project 1 Feasibility Study published on July 7, 2008 (filed on SEDAR August 21, 2008). The Company has internally tested the resource assessment against the spot prices in October 2008 and the three year trailing prices at that time and have not amended their resource and resource assessment.

The following is a statement of Revised Attributable Reserves and Resources in the event of the closing of the Proposed Transaction announced September 2, 2008 based on the WBJV Project 1 July 7, 2008 Feasibility Study (filed on SEDAR August 21, 2008). The Proposed Transaction is pending definitive agreements and conditions precedent. Reserves here are a sub-set of measured and indicated resources including mining factors and are not in addition to the resources.

MR = Merensky Reef ***UG2 = Upper Group 2 Reef***

Merensky Reserves Project 1 (74% Company Interest Pending)				
Tonnes t	**4E g/t**	**Content 4E Moz**	**Platinum Group Interest**	**Platinum Group Mozs**
Merensky Proved				
6,706,482	**5.55**	**1.198**	**74%**	**0.886**
Merensky Probable				
11,382,035	**5.39**	**1.971**	**74%**	**1.459**
Total Merensky Mineral Reserves				
18,088,517	**5.45**	**3.169**	**74%**	**2.345**

UG2 Reserves Project1 (74% Company Interest Pending)				
Tonnes t	**4E g/t**	**Content 4E Moz**	**Platinum Group Interest**	**Platinum Group Mozs**
UG2 Proved				
4,245,280	**3.38**	**0.461**	**74%**	**0.341**
UG2 Probable				
7,051,016	**3.42**	**0.775**	**74%**	**0.574**
Total UG2 Mineral Reserves				
11,296,296	**3.40**	**1.236**	**74%**	**0.915**

Resource Effective date	Reef	Resource Category	Tonnes (million)	Grade (4E)	Width (metres)	Prill Split (4E) Pt	Pd	Rh	Au	WBJV Ozs (millions)	PTM Interest	PTM Ozs (millions)
Project 1												
07-Jul-08	MR	Measured	5.491	7.94	1.08	64%	27%	4%	5%	1.402	74%	1.037
07-Jul-08	UG2	Measured	6.539	3.91	1.41	63%	26%	10%	1%	0.823	74%	0.609
07-Jul-08	MR	Indicated	10.814	7.75	1.09	64%	27%	4%	5%	2.694	74%	1.994
07-Jul-08	UG2	Indicated	17.464	4.13	1.34	63%	26%	10%	1%	2.321	74%	1.718
07-Jul-08	MR	Inferred	0.217	7.95	0.93	64%	27%	4%	5%	0.055	74%	0.041
07-Jul-08	UG2	Inferred	2.311	4.47	1.34	63%	26%	10%	1%	0.332	74%	0.246
07-Jul-08	MR	Inferred	1.871	6.48	1.15	64%	27%	4%	5%	0.390	74%	0.289
07-Jul-08	UG2	Inferred	2.973	5.00	1.57	63%	26%	10%	1%	0.478	74%	0.354
Project 3												
25-Apr-08	MR	Inferred	4.040	6.26	1.12	64%	27%	4%	5%	0.814	74%	0.602
25-Apr-08	UG2	Inferred	6.129	5.51	1.22	62%	28%	9%	1%	1.086	74%	0.804
Totals Project 1 and 3												
	MR	Measured	5.491	7.94	1.08	64%	27%	4%	5%	1.402	74%	1.037
	UG2	Measured	6.539	3.91	1.41	63%	26%	10%	1%	0.823	74%	0.609
	MR	Indicated	10.814	7.75	1.09	64%	27%	4%	5%	2.694	74%	1.994
	UG2	Indicated	17.464	4.13	1.34	63%	26%	10%	1%	2.321	74%	1.718
	MR	Inferred	6.128	6.39	1.12	64%	27%	4%	5%	1.259	74%	0.932
	UG2	Inferred	11.413	5.17	1.34	63%	26%	10%	1%	1.896	74%	1.403
Totals												
Measured and Indicated			40.308	5.58	1.25	64%	27%	7%	2%	7.24	74%	5.358
Inferred			17.541	5.59	1.26	63%	27%	7%	3%	3.155	74%	2.335

See Caution Notes on previous page with respect to Company interest.

C. Muller QP PTM - Platinum Group Metals Ltd.

The Qualified Persons, ("QP") for the above information are Charles Muller and Gordon Cunningham Independent Qualified Persons as at the effective dates in the table. (Reports dated April 25, 2008 – filed June 11, 2008 and July 7, 2008 – filed Aug 21, 2008 on www.sedar.com).

Cautionary Note to U.S. Investors: *The U.S. Securities and Exchange Commission permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms in this document, such as "measured," "indicated," and "inferred," "reserves," "resources," that the SEC guidelines strictly prohibit U.S. registered companies from including in their filings with the SEC. "Resources" are not "Reserves" and so do not have demonstrated economic viability. U.S. investors are urged to consider closely the disclosure in our U.S. regulatory filings, File No. 0-033562, which may be secured from us, or from the SEC's website at: http://sec.gov*

Project 1 Resource Calculation Detail

A 39% and 41% total geological loss for the Merensky Reef and UG2 Reef respectively was applied to the resource area to accommodate for areas of potentially un-mineable structural and geological conditions. This geological loss considers losses for faults, dykes, potholes and areas of iron replacement pegmatite. Structural loss estimates are based on drilling, field mapping and remote sense data which include a high resolution aeromagnetic survey. The Merensky mineral resource estimate is based on 158 boreholes with 178 intercepts and the UG2 is based on 192 intercepts within the 1,087 hectare area. The prill split has been calculated by weighted averages as a proportion of the total 4E and the grades have been estimated with a more rigorous statistical process of Simple Kriging. The cut-off was determined on a practical mining width and the known costs and mining methods regionally. Platinum Group's independent consulting Qualified Person has provided the resource estimate according to the SAMREC code. The reconciliation to the CIM codes is that the categories are the same. The resources are located on New Order prospecting permits that provide for the right to be converted to mining rights. Charles Muller of Minxcon is the Qualified Person ("QP") for this report. He is registered with the SACNASP (South African Council for Natural Scientific Professions) (Registration No. 400201/04). Mr. Muller is an independent consultant with 18 years experience as a geologist, and resource evaluator. Samples were analyzed under Platinum Group's and Anglo Platinum's protocols including insertion of blanks, duplicates and certified reference materials in the assay stream once in every 24 or fewer samples. This is in addition to internal quality control measures undertaken by the contracted analytical facilities. Internal tests by the Company's non-independent qualified persons at October 2008 have not resulted in resource changes but prolonged negative markets will result in resource changes.

Project 3 Resource Calculation Detail

A 14% geological loss for the Merensky Reef and UG2 Reef respectively was applied to the area to accommodate for areas of potentially un-mineable structural and geological conditions. This geological loss considers losses for faults, dykes, potholes and areas of iron replacement pegmatite. Structural loss estimates are based on drilling, field mapping and remote sense data which include a high resolution aeromagnetic survey and a 3D seismic survey. The Merensky mineral resource estimate is based on 24 boreholes with 27 intercepts and the UG2 is based on 15 intercepts within the 224.28 hectare area. The prill split has been calculated by weighted averages as a proportion of the total 4E and the grades have been estimated with a more rigorous statistical process of Simple Kriging. (The prill splits and 4E estimates have been tested for reasonableness by kriging on the individual elements). Copper and nickel as well as the minor platinum group elements have also been estimated with a statistical process of Simple kriging. Absent values for copper, nickel and the minor platinum group elements have been derived from regressed values. The cut-off was determined on a practical mining width and the known costs and mining methods regionally. Platinum Group's independent consulting Qualified Person has provided the mineral resource estimate according to the SAMREC code. The reconciliation to the CIM codes is that the categories are the same. The resources are located on new order prospecting permits that provide for the right to be converted to mining rights. Charles Muller of Minxcon is the Qualified Person for this report. He is registered with the South African Council for Natural Scientific Professions ("SACNASP") (Registration No. 400201/04).

Northern Limb, Bushveld - War Springs and Tweespalk Properties

On June 3, 2002, the Company entered an option agreement whereby it may earn a 100% interest in the 2,396 hectare War Springs property and the 2,177 hectare Tweespalk property both located in the Northern Limb or Platreef area of the Bushveld Complex north of Johannesburg. Acquisition and exploration costs on these properties to August 31, 2008 total $3,312,914 (2007 - $3,394,062).

By prior agreement with the holders of the Old Order mineral rights the Company had an option to purchase 100% of these mineral rights for US$690 per hectare. The Company also agreed to pay prospecting fees to the vendors of US$3.25 per hectare. The vendors retain a 1% NSR Royalty on the property, subject to the Company's right to purchase the NSR at any time for US$1.4 million. A 5% finders' fee applies to vendor payments.

Under the new Mineral and Petroleum Resources Development Act (2002), which became effective in May 2004, Old Order permits were to be converted into New Order permits during a transition period. This process is now complete for the War Springs and Tweespalk properties. The June 3, 2002 option agreement provides for amendments as may be needed to maintain the parties in the same commercial position as they were in under the preceding mineral legislation and such amendments are yet to be completed.

Black Economic Empowerment groups Africa Wide and Taung Minerals (Pty) Ltd. have each acquired a 15% interest in the War Springs project carried to bankable feasibility. The Company's retains a net 70% project interest.

Africa Wide also has a 30% participating interest in the Tweespalk property. During the year the Company received payment in full from Wesizwe Platinum Ltd. for Africa Wide's share of costs to August 31, 2007, which amounted to R 1,549,673 (C$211,840 at August 31, 2008). The payment was treated as a recovery of costs relating to the Tweespalk property.

On March 17, 2008 the Company published a revised and updated resource calculation for the War Springs property based on drilling and exploration work conducted in the last three years. Details are as follow:

Reef	Cut-off 3E	Tonnage	3E			Ni		Cu		Channel Width
	cmg/t	T	g/t	G	Moz	%	t	%	t	cm
B Reef	300	20,934,894	0.95	19,947,131	0.641	0.18	35,870	0.14	27,863	657
C Reef	300	26,030,561	1.24	32,192,522	1.035	0.08	25,812	0.06	19,388	875
Total	300	46,965,455	1.11	52,139,652	1.676	0.13	64,965	0.10	49,868	734

Reef	Prill Splits Pt		Pd		Au	
	g/t	%	g/t	%	g/t	%
B Reef	0.32	34	0.55	58	0.08	8
C Reef	0.20	16	0.97	78	0.07	6

The War Springs Mineral Resource is characterised by two distinct reef layers, termed the "B" and "C" reefs. Both reefs are typically greater than 6m thick. The reefs outcrop on surface and extend down dip in parallel sheets at a 65 degree angle to a depth of 400 metres, remaining open at depth. A 5% geological loss has been applied. Eighteen holes had been completed by the end of May 2005, relating to 7,433m of drilling. A total of 8,188 samples were collected for the determination of elements Platinum, Palladium, Gold, Copper and Nickel. Four additional boreholes were drilled (1,646m) during the period November 2005 to early February 2006, on high priority soil targets (Phase 2 Drilling Program). An additional 1,738 samples were collected for analysis. Of the 22 boreholes drilled, 15 boreholes intersected the "B" Reef and 8 boreholes intersected the "C" Reef. Drilling results from Phase 1 and 2 covering approximately 2,200 metres of strike length on a 250 metre spacing, combined with a review of the cut-off, form the basis of the updated Inferred Mineral Resource estimation to be reported in a NI43-101 document, compiled by Minxcon (Pty) Ltd, dated March, 2008. Mr. Charles Muller of Minxcon is the Qualified Person for the War Springs resource estimate. He is registered with the South African Council for Natural Scientific Professions (SACNASP) (Registration No. 400201/04). Mr. Muller is an independent consultant with 18 years experience as a geologist, and resource evaluator. Samples were analyzed under Platinum Group's previously published protocols for the project including insertion of blanks, duplicates and certified reference materials in the assay stream once in every 24 or fewer samples. This is in addition to internal quality control measures undertaken by the contracted certified analytical facilities. Assays were completed by standard fire assay procedures with preparation at the Setpoint facility at Mokopane and final assays at Genalysis Laboratories Services Pty Ltd in Perth Australia or Anglo Research Laboratories.

The Tweespalk and War Springs projects are currently the subject of only modest work efforts as the Company is focused on the WBJV. The Tweespalk and War Springs projects are being considered for more active exploration work in 2009.

Lac Des Iles Area Properties, Ontario

On May 5, 2000, New Millennium entered into an option agreement to acquire a 50% interest in the Lac des Iles River property located near Thunder Bay, Ontario in exchange for cash payments ($43,500 paid in total) and the completion of exploration expenditures. On October 6, 2006, the Company and the property vendors entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property subject only to an underlying 2.0% Net Smelter Return Royalty. In settlement the Company made a one-time payment to the vendors of $50,000 in lieu of past and future exploration expenditure commitments not incurred.

In April 2000, and later as amended in January 2005, the Company acquired an option to earn a 50% interest in the South Legris property located near Thunder Bay, Ontario in exchange for cash payments ($105,000 paid in total) and the completion of certain exploration expenditures. On October 13, 2006, the Company and the property vendors entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property subject only to underlying 2.0% Net Smelter Return Royalties. In settlement the Company made a one-time payment of $50,000 in lieu of past and future exploration expenditure commitments not incurred.

On June 28, 2000, New Millennium entered into an option agreement to earn up to 60% interest in the Shelby Lake property, located near Thunder Bay, Ontario in exchange for cash payments of $15,000 (paid), the issue of 30,303 shares (issued) and the completion of exploration expenditures. On October 18, 2006, the Company and the property vendor entered into a termination and sale agreement whereby the option agreement was cancelled and the Company purchased an undivided 100% interest in the property for a one-time payment of $5,000 subject only to an underlying 2.0% Net Smelter Return Royalty.

In late 2006 a 1,090 metre drill program was conducted on the Company's Lac Des Iles area projects. A further drill program planned for 1,125 metres was completed in December 2007. Costs for the program for 2008 have amounted to $166,042. Results of exploration for the current program and those over the last few years for palladium, platinum, nickel and copper have been encouraging and the Company plans to invest further in this area in the future. At the time of writing a 2009 exploration budget for the area is under consideration.

e) Administration Expenses

Before a non-cash charge for stock based compensation of $580,128 (2007 - $1,487,661), and mineral property costs written off of $Nil (2007 - $1,323,222), and not including interest in the year of $243,339 (2007 - $434,949), general and administrative expenses totaled $5,175,749 (2007 - $4,380,667). Since 2002 the Company has grown substantially through its amalgamation with New Millennium Metals Corporation and its expansion into the Republic of South Africa. This growth is reflected in the costs described herein. During 2004 the Company opened and staffed a permanent office in Johannesburg and commenced active exploration on the ground. The costs described above include management and consulting fees of $843,758 (2007 - $690,504); office and miscellaneous expenses of $227,497 (2007 - $230,829); professional fees of $973,425 (2007 - $416,945); salaries and benefits of $1,345,722 (2007 - $1,400,258); shareholder relations expense of $128,340 (2007 - $216,597); travel expenses of $859,139 (2007 - $656,965); news release, print and mailout expenses of $75,688 (2007 - $83,999) and promotion expenses of $214,524 (2007 - $193,296).

f) Related Party Transactions

Management, consulting fees, salaries and directors' fees for the year amounted to $524,807 (2007 - $500,821). Of this amount approximately $241,474 (2007 - $220,591) is related to fees for the Company's President, an amount of $208,333 (2007 - $193,650) relates to salary for the Company's CFO and the balance of $75,000 (2007 - $86,580) relates to independent director fees. At August 31, 2008 there were $75,000 in fees (2007 - $21,869) owed and included in accounts payable.

The Company received $135,895 (2007 - $138,210) during the year from MAG Silver Corp. ("MAG"), a company with two common directors and a common officer under an administrative services agreement. The services provided include day-to-day administration and accounting and are provided at market rates. There are no long term obligations or commitments for either party with relation to the services agreement. Amounts receivable at the end of the year includes an amount of $1,819 due from MAG for other trade receivables (2007 - $267).

During the year the Company accrued or received payments of $108,000 (2007 – $67,200) from West Timmins Mining Inc. ("WTM"), a company with three common directors and a common officer, for administrative services. The services provided include day-to-day administration and accounting and are provided at market rates. There are no long term obligations or commitments for either party with relation to the provision of services. Amounts receivable at the end of the year includes an amount of $997 due from WTM for other trade receivables (2007 - $16,895 for both administration fees due ($9,540) and other trade receivables ($7,355)).

During the year ended August 31, 2005, the Company entered into an office lease agreement with Anthem Works Ltd. ("Anthem"), a company with a common director. During the year ended August 31, 2008 the Company accrued or paid Anthem $88,382 under the office lease agreement (2007 - $66,684). The space occupied approximates one third of 6,050 square feet in a first tier building located in downtown Vancouver, British Columbia. The rental rate was negotiated on an "arm's length basis". At the time of writing the Company has an obligation to rent the premises until September 30, 2009 at a rate of $7,213 per month.

All of the above transactions are in the normal course of business and are measured at the exchange amount which is the consideration established and agreed to by the noted parties.

g) Shareholder Relations' Expenses

Shareholder relations' expense during the year totaled $128,340 (2007 - $216,597). The Company manages its shareholder relations as an internal function. The Company has been active in raising its profile with both retail and institutional investors. From May 2005 until April 30, 2008 Roth Investor Relations ("Roth") was contracted at a rate of US$5,000 per month to provide distribution of the Company's information to US institutions and other international analysts and money managers. Since June 2005 Mr. Tony Mahalski of LM Associates in London, U.K., has been engaged for a fee of GBP 1,000 per month for the purpose of general business development and the raising of the Company's profile in Europe.

h) Travel and Promotion Expenses

Travel expenses for the year amounted to $859,139 (2007 - $656,965). These activities relate to the supervision of ongoing operations in South Africa and Canada, new property investigations and meetings with potential and current institutional and sophisticated investors. Travel related to all of these activities was higher during the period than in the same period in 2007. Promotional expenses in the period amounted to $214,524 (2007 - $193,296) and these costs relate to design work, media relations, printed material, postage and trade show attendance.

i) Property Acquisition Expenses

Property acquisition expenditures during the period totaled $1,065,570 (2007 - $365,514) in cash and shares. This includes $4,558 (2007 - $105,000) for properties in Ontario, and $1,061,012 (2007 - $260,514) to acquire or maintain option rights to the South African properties. Cash payments or accruals totaled $900,070 (2007 - $135,514) and share issuances for property acquisitions totaled $165,500 (2007 - $230,000).

The Company evaluates its property interests on an ongoing basis and intends to abandon properties that fail to remain prospective. Apart from a possible buy-out of the War Springs and Tweespalk properties, the Company has no other required property acquisition payments due to vendors under mineral property option agreements. At the time of writing the Company was incurring further property acquisition expenses, such as research and staking expenses, through its activities in Ontario, Canada and South Africa.

j) Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

3. CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian GAAP requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Management has identified (i) mineral property acquisition and exploration deferred costs (ii) provision for reclamation and closure, (iii) future income tax provision (iv) stock based compensation and (v) recoverability of its interest in the WBJV as the main estimates for the following discussion. Please refer to Note 2 of the Company's Audited consolidated financial statements for a description of all of the significant accounting policies.

Under Canadian GAAP, the Company defers all costs relating to the acquisition and exploration of its mineral properties. Any revenues received from such properties are credited against the costs of the property. When commercial production commences on any of the Company's properties, any previously capitalized costs would be charged to operations using a unit-of-production method. The Company reviews when events or changes in circumstances indicate the carrying values of its properties to assess their recoverability and when the carrying value of a property exceeds the estimated net recoverable amount, provision is made for impairment in value.

The existence of uncertainties during the exploration stage and the lack of definitive empirical evidence with respect to the feasibility of successful commercial development of any exploration property does create measurement uncertainty concerning the estimate of the amount of impairment to the value of any mineral property. The Company relies on its own or independent estimates of further geological prospects of a particular property and also considers the likely proceeds from a sale or assignment of the rights before determining whether or not impairment in value has occurred.

Reclamation and closure costs have been estimated based on the Company's interpretation of current regulatory requirements, however changes in regulatory requirements and new information may result in revisions to estimates. The Company recognizes the fair value of liabilities for reclamation and closure costs in the period in which they are incurred. A corresponding increase to the carrying amount of the related assets is generally recorded and depreciated over the life of the asset.

The future income tax provision is based on the liability method. Future taxes arise from the recognition of the tax consequences of temporary differences by applying enacted or substantively enacted tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of certain assets and liabilities. The Company records a valuation allowance against any portion of those future income tax assets that it believes will, more likely than not, fail to be realized.

For its 2005 fiscal year, The Company adopted CICA Handbook Section 3870 – Stock-Based Compensation and other Stock-Based Payments, which requires the fair value method of accounting for stock options. Under this method, the Company is required to recognize a charge to the income statement based on an option-pricing model based on certain assumptions. For the year ended August 31, 2008 the assumptions were as follows; no dividends were paid, a weighted average volatility of the Company's share price of 64.04%, a weighted average annual risk free rate of 4.08 per cent and an expected life of 3.32 years. The resulting weighted average option pricing resulted in an expense for stock options in the year ended August 31, 2008 of $1,288,383 (2007 - $1,487,661). Of the $1,288,383 in cost calculated for August 31, 2008 an amount of $580,128 was expensed while $708,255 was capitalized to deferred mineral property exploration costs in the Company's WBJV interest.

4. SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are set out in Note 2 of its Consolidated Audited Financial Statements for the year ended August 31, 2008. There are several policies that are significant to the financial results of the Company.

Under Canadian GAAP, the Company defers all costs relating to the acquisition and exploration of its mineral properties. Any revenues received from such properties are credited against the costs of the property. When commercial production commences on any of the Company's properties, any previously capitalized costs would be charged to operations over the life of the property using a unit-of-production method. The Company regularly reviews deferred exploration costs to assess their recoverability when facts and circumstances indicate that the carrying value of a property exceeds the estimated net recoverable amount, provision is made for impairment in value.

The existence of uncertainties during the exploration stage and the lack of definitive empirical evidence with respect to the feasibility of successful commercial development of any exploration property do create measurement uncertainty concerning the calculation of the amount of impairment to the value of any mineral property. The Company relies on its own or independent estimates of further geological prospects of a particular property and also considers the likely proceeds from a sale or assignment of the rights before determining whether or not impairment in value has occurred.

Future income taxes are calculated based on the liability method. Future income taxes arise from the recognition of the tax consequences of temporary differences by applying enacted or substantively enacted tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of certain assets and liabilities. The Company records a valuation allowance against any portion of those future income tax assets that it believes will, more likely than not, fail to be realized.

5. ADOPTION OF NEW ACCOUNTING STANDARDS

Effective September 1, 2007, we have adopted CICA Handbook Sections 3855 *Financial Instruments – Recognition and Measurement* ; Section 3861 *Financial Instruments – Disclosure and Presentation* ; Section 3865 *Hedges* ; Section 1530 *Comprehensive Income* and Section 3251 *Equity* . As the Company has not previously undertaken hedging activities, adoption of Section 3865 currently has no impact. Prior to September 1, 2007, the principal accounting policies affecting financial instruments related to marketable securities that were valued at the lower of original cost and fair market value.

CICA Section 3855 requires that all financial assets, except those classified as held-to-maturity, and loans and receivables, must be measured at fair value. All financial liabilities must be measured at fair value when they are classified as held-for-trading; otherwise, they are measured at amortized cost. Investments classified as available-for-sale are reported at fair market value (or marked to market) based on quoted market prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. Those instruments classified as held-for-trading, have gains or losses included in earnings in the period in which they arise. All of the Company's investments have been designated as available-for-sale.

Upon adoption of these new standards, the Company has designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Accounts receivable and other are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other liabilities, which are measured at amortized cost.

Comprehensive income is the change in our net assets that results from transactions, events and circumstances from sources other than our shareholders and includes items that would not normally be included in net earnings such as unrealized gains or losses on available-for-sale investments. Other comprehensive income includes the unrealized gains and losses from available-for-sale securities which are not included in net income (loss) until realized.

The adoption of Sections 1530 and 3855 impacts our opening equity. On September 1, 2007, pursuant to adoption of the new CICA Handbook Section 3855 *Financial Instruments – Recognition and Measurement*, the Company recorded an adjustment to increase the carrying value of marketable securities by $1,874,001 with a corresponding adjustment to accumulated other comprehensive income less the future income tax adjustment of $281,100. The adjustment represents the unrealized gain on available-for-sale marketable securities held by the Company at September 1, 2007.

During the year ended August 31, 2008 after an adjustment of a future income tax expense of $144,900 the Company recognized an unrealized loss of $821,101 (2007 - $nil) on marketable securities designated as available-for-sale instruments in other comprehensive income.

6. LIQUIDITY AND CAPITAL RESOURCES

Since mid calendar 2008 there has been a negative trend with regard to the market for metal commodities and related products as a result of global economic uncertainty, reduced confidence in financial markets, bank failures and credit availability concerns. These macro-economic events have negatively affected the mining and minerals sectors in general. The Company's market capitalization has been significantly reduced. Although these circumstances may improve over the longer term, the short term impact upon the Company's liquidity and its ability to raise the capital required to execute its business plans going forward will be negative. As a result the Company will consider its business plans and options carefully going forward into 2009. The Company's intends to preserve its cash balances to the greatest extent possible by curtailing capital and operational expenditures where possible.

The Company issued a total of 1,660,500 (2007 – 7,297,569) common shares during the year. Of this 1,610,500 shares (2007 – 7,247,569) were issued for cash proceeds of $2,309,324 (2007 - $12,080,366). During the year 50,000 shares (2007 – 50,000) were issued for mineral properties at a fair value of $165,500 (2007 - $230,000). Cash proceeds are net of share issuances to be spent on mineral property acquisitions, exploration and development as well as for general working capital purposes. The Company's primary source of capital has been from the sale of equity. At August 31, 2008 the Company had cash, cash equivalents and short-term investments on hand of $1,779,871 compared to $14,669,067 at August 31, 2007. Subsequent to year end the Company has completed a financing which is detailed in the subsequent events section.

The Company receives lump sum cash advances at various times as laid out in agreed budgets from its joint venture partners to cover the costs of the WBJV. The balance of cash outflows is made up of management fees and expenses of $843,758 (2007 - $690,504) and other general and administrative expenses of $4,331,991 (2007 - $3,690,163).

The following Table discloses the Company's continual obligations for optional mineral property acquisition payments and contracted office and equipment lease obligations. Apart from a possible buy-out of the War Springs and Tweespalk properties, (which optional aquistion payment is included in the following table) the Company has no other property acquisition payments due to vendors under mineral property option agreements. The Company has no long term debt or loan obligations. Under the terms of several of the Company's mineral property option and purchase agreements, the Company is required to make certain scheduled acquisition payments as summarized in the table below in order to preserve the Company's interests in the related mineral properties. In the event the Company is unable or unwilling to make these payments, it is likely that the Company would forfeit our rights to acquire the related properties.

	Payments by period				
	Total	**< 1 Year**	**1 – 3 Years**	**3 – 5 Years**	**> 5 Years**
Equalization amount due Anglo Platinum 1	$ 23,200,000	$ 23,200,000	$ 0	$ 0	$ 0
Purchase price due Wesizwe Platinum 1	$ 49,000,000	$ 49,000,000	$ 0	$ 0	$ 0
Past Exploration Costs due Wesizwe Platinum 1	$ 2,320,000	$ 2,320,000	$ 0	$ 0	$ 0
Optional Acquisition Payments (War Springs & Tweespalk)	$ 3,978,000	$ 3,978,000	$ 0	$ 0	$ 0
Lease Obligations	$ 275,890	$ 193,246	$ 80,985	$ 1,659	$ 0
Totals	**$ 78,773,890**	**$ 78,691,246**	**$80,985**	**$ 1,659**	**$ 0**

3 The requirement to pay and the due date of these items is dependent upon the proposed transaction announced September 2, 2008. See discussions at item 2. a) "Results of Operations" above and below in this section.

As detailed in the table above, the Company will be required to pay an equalizing amount under the terms of the WBJV agreement based on the measured, indicated and inferred 4E PGE ounces reported in a Feasibility Study. Under the original terms of the WBJV this equalization amount would be due to Anglo Platinum only after a decision to mine is taken by the partners of the WBJV, or as detailed below. See item 2. d) "Exploration Programs and Expenditures" above for details of how the equalizing payment will be calculated.

Should the proposed transaction announced September 2, 2008 become final the equalization amount will become due to Anglo Platinum on the later of December 31, 2008 or the effective date of the final agreement. The effective date will occur once all conditions precedent have been fulfilled. It is anticipated this date will be several months after the execution of definitive agreements, which at November 12, 2008 are in process of being finalized. In the event the Company does not make the equalization payment on the date required, Anglo Platinum shall elect to extend the payment deadline for up to six months, with interest, or may elect to take payment in common shares of Wesizwe, at which point the right to accept the equalization payment would transfer to Wesizwe.

Also as detailed in the table above, under the terms of the proposed transaction announced September 2, 2008 to rationalize the WBJV ownership structure, the Company would be required to make both a purchase payment and past exploration cost payment to Wesizwe Platinum. The purchase payment would be due six months after the effective date of the final agreement. See Item 2. a) "Results of Operations" for more detail. In the event the Company does not make the required Wesizwe purchase payment, Wesizwe would have the right to dilute the Company for up to a 19% reduction in its 74% interest in Projects 1 and 3, taking the Company to a 55% interest position.

Since mid calendar 2008 there has been a negative trend with regard to the market for metal commodities and related products. See "Economic and Political instability may affect the Company's business" under Item 2c. "Risk Factors" above. Current market conditions will affect the Company's ability to make the payments described above under the proposed transaction announced September 2, 2008. The Company will consider its business plans and options carefully going forward into 2009. Cash at August 31, 2008 plus subsequent financings is sufficient to fund general operation costs through fiscal 2009, but will be insufficient to cover the payments envisioned should the proposed transaction announced September 2, 2008 become effective.

7. OUTSTANDING SHARE DATA

The Company has an unlimited number of common shares authorized for issuance without par value. At November 10, 2008 there were 67,624,717 shares outstanding, 5,579,875 incentive stock options outstanding and no common share purchase warrants outstanding. As of August 31, 2008 and August 31, 2007, the number of unoptioned shares available for granting of stock options under the Company's Stock Option Plan was 2.407,050 and 2,553,500, respectively. During the fiscal years ended August 31, 2008 and August 31, 2007, the Company made no changes to the exercise price of outstanding options through cancellation and reissuance or otherwise.

8. DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed in filings made pursuant to both U.S. Securities and Exchange Commission and Canadian Securities Administrators requirements are recorded, processed, summarized and reported in the manner specified by the relevant securities laws applicable to the Company. The Company operates in both Canada and the Republic of South Africa and work is ongoing to improve and modernize these controls and to ensure that they remain consistently applied in both jurisdictions. The Chief Executive Officer and the Chief Financial Officer have evaluated the Company's disclosure control procedures as of August 31, 2008 through inquiry, review, and testing, as well as by drawing upon their own relevant experience. The Company retained an independent third party specialist in 2008 to assist in the assessment of its disclosure control procedures. The Chief Executive Officer and the Chief Financial Officer have concluded that, as at August 31, 2008, the Company's disclosure control procedures were effective. Management is also developing and implementing a plan to address disclosure controls and procedures on a forward looking basis as the Company continues to grow.

The Company also maintains a system of internal controls over financial reporting designed under the supervision of the Company's Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. The Company retained an independent third party specialist in 2008 to assist in the assessment of its internal control procedures. The Board of Directors approves the financial statements and ensures that management discharges its financial responsibilities. The Board's review is accomplished principally through the audit committee, which is composed of independent non-executive directors.

The audit committee meets periodically with management and auditors to review financial reporting and control matters. The Board of Directors has also appointed a compensation committee composed of non-executive directors whose recommendations are followed with regard to executive compensation.

From time to time the board may also form special sub-committees, which must investigate and report to the Board on specific topics.

During the year ended August 31, 2007, the Company effected the changes in internal control over financial reporting that have materially affected, or may materially affect, the Company's internal control over financial reporting. The Company has (i) taken steps to improve segregation of duties and the authorization process through the addition of accounting personnel; and (ii) reviewed and refined internal control processes; and (iii) adopted and published new corporate governance policies; and (iv) reviewed and improved general controls over information technology; and (v) enhanced financial control over period close processes. During the year ended August 31, 2008 there were no significant changes with regard to internal controls.

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting, and evaluating the effectiveness of the Company's internal control over financial reporting as at each fiscal year end. Management has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of the Company's internal control over financial reporting as at August 31, 2008. Based on this evaluation, management has concluded that as at August 31, 2008, the Company's internal control over financial reporting was effective.

Management's effectiveness of internal control over financial reporting has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, who have expressed their opinion in their report included with the Company's annual consolidated financial statements.

9. AMEX CORPORATE GOVERNANCE

The Company's common shares are listed on the NYSE Alternext US LLC (formerly the American Stock Exchange) ("AMEX"). Section 110 of the AMEX company guide permits AMEX to consider the laws, customs and practices of foreign issuers in relaxing certain AMEX listing criteria, and to grant exemptions from AMEX listing criteria based on these considerations. A company seeking relief under these provisions is required to provide written certification from independent local counsel that the non-complying practice is not prohibited by home country law. A description of the significant ways in which the Company's governance practices differ from those followed by domestic companies pursuant to AMEX standards is posted on the Company's website at www.platinumgroupmetals.net and a copy of such description is available by written request made to the Company.

10. OTHER INFORMATION

Additional information relating to the Company, including the Company's Annual Information Form for the year ended August 31, 2008 may be found on SEDAR at www.sedar.com . and on EDGAR at www.sec.gov.

11. SUBSEQUENT EVENTS

On September 2, 2008 the Company announced the signing of a term sheet with Anglo Platinum and Wesizwe Platinum to consolidate and rationalize the ownership of the WBJV. In the proposed transaction Anglo Platinum will vend its entire 37% interest in the WBJV to Wesizwe for common shares representing a 26.5% interest in Wesizwe. The Company will concurrently acquire a 37% interest in Projects 1 and 3 from Wesizwe in consideration of its 18.5% interest in Project 2 and Rand 408 million in cash (approximately $51.0 million at September 2, 2008). The cash payment to Wesizwe will be deferred until six months after closing the proposed transaction and will then be held in escrow to be applied towards Wesizwe's capital requirements for Projects 1 and 3. The closing of the proposed transaction is pending the completion of definitive agreements and certain conditions precedent, such as shareholder, regulatory and governmental approvals.

On October 3 and October 7, 2008 the Company closed a non-brokered private placement for $7,611,229 upon the issue of 4,910,470 common shares at a price of $1.55 per share. A finders' fee of $186,000 in cash and a further 60,000 shares at the offering price was paid in respect of certain of the subscriptions.

On October 15, 2008 the Company granted 1,727,000 incentive stock options at a price of $1.60 per share to Directors, Officers, and employees.

12. LIST OF DIRECTORS AND OFFICERS

a) Directors:

R. Michael Jones (Chairman)
Frank R. Hallam (Secretary)
Iain McLean
Barry W. Smee
Eric Carlson

b) Officers:

R. Michael Jones (Chief Executive Officer)
Frank R. Hallam (Chief Financial Officer)
Peter C. Busse (Chief Operating Officer)

Rule 13a-14(a) Certification

I, R. Michael Jones, certify that:

1. I have reviewed this annual report on Form 40-F of Platinum Group Metals Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: December 1, 2008

//signed//
R. Michael Jones
President, Chief Executive Officer and Director

Rule 13a-14(a) Certification

I, Frank R. Hallam, certify that:

1. I have reviewed this annual report on Form 40-F of Platinum Group Metals Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: December 1, 2008

//signed//
Frank R. Hallam
Chief Financial Officer and Director

CERTIFICATION PURSUANT TO

18 U.S.C. §1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Platinum Group Metals Ltd. (the “Company”) on Form 40-F for the period ended August 31, 2008, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, R. Michael Jones, President, Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

//signed//
R. Michael Jones
President, Chief Executive Officer and Director
December 1, 2008

CERTIFICATION PURSUANT TO

18 U.S.C. §1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Platinum Group Metals Ltd. (the "Company") on Form 40-F for the period ended August 31, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank R. Hallam, Chief Financial Officer and Director of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

//signed//
Frank R. Hallam
Chief Financial Officer and Director
December 1, 2008

PricewaterhouseCoopers LLP
Chartered Accountants
PricewaterhouseCoopers Place
250 Howe Street, Suite 700
Vancouver, British Columbia
Canada V6C 3S7
Telephone +1 604 806 7000
Facsimile +1 604 806 7806

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Annual Report on Form 40-F of Platinum Group Metals Ltd. of our report dated November 21, 2008 relating to the consolidated financial statements for the years ended August 31, 2008 and 2007 and the effectiveness of internal control over financial reporting as of August 31, 2008 which appears in the Annual Report to Shareholders.

Signed "PricewaterhouseCoopers LLP"

Chartered Accountants
Vancouver, British Columbia
November 21, 2008

CONSENT OF INDEPENDENT REGISTERED CARTERED ACCOUNTANTS

We consent to the incorporation by reference of our report dated November 08, 2006 relating to the consolidated statement of operations and cash flows for the year ended August 31, 2006 of Platinum Group Metals Ltd. (which report on the financial statements expenses an unqualified opinion and includes separate report titled Comments by Independent Registered Chartered Accountants of Canada – United States of America reporting differences referring to Platinum Group Metals Ltd.'s ability to continue as a going concern and appearing in the Annual Report on Form 40-F of Platinum Group Metals Ltd. for the year ended August 31, 2006)

//s//"Deloitte & Touche LLP"

Independent Registered Chartered Accountants
Vancouver, Canada
November 28, 2008

CONSENT OF EXPERT

Reference is made to the Annual Report on Form 40-F (the "40-F") of Platinum Group Metals Ltd. (the "Company") for the fiscal year ended August 31, 2008 to be filed with the United States Securities and Exchange Commission pursuant to the United States Securities Exchange Act of 1934, as amended, and the Annual Information Form (the "AIF") and Management's Discussion and Analysis ("MD&A") of the Company for the year then ended, which are incorporated by reference therein.

Each of the undersigned hereby consents to the references to, and the information derived from, the reports titled "Technical Report (Feasibility Study) Project 1 (Elandsfontein and Frischgewaagd)" dated July 7, 2008, "Competent Persons Report on Project 3 of the Western Bushveld Joint Venture (WBJV) Located on the Western Limb of the Bushveld Igneous Complex, South Africa" dated June 9, 2008 and "Competent Persons Report on Project Area 1 and 1A of the Western Bushveld Joint Venture (WBJV) Located on the Western Limb of the Bushveld Igneous Complex, South Africa" dated September 7, 2007 and to the references, as applicable, to the undersigned's name in the 40-F, the AIF and the MD&A.

Minxcon (Pty) Ltd
By: C J Muller
Title: Director

Date: November 30, 2008

//signed//
Charles J. Muller
BSc (Hons), Pr.Sc.Nat.

CONSENT OF EXPERT

Reference is made to the Annual Report on Form 40-F (the “40-F”) of Platinum Group Metals Ltd. (the “Company”) for the fiscal year ended August 31, 2008 to be filed with the United States Securities and Exchange Commission pursuant to the United States Securities Exchange Act of 1934, as amended, and the Annual Information Form (the “AIF”) and Management’s Discussion and Analysis (“MD&A”) of the Company for the year then ended, which are incorporated by reference therein.

Each of the undersigned hereby consents to the references to, and the information derived from, the report titled “Technical Report (Feasibility Study) Project 1 (Elandsfontein And Frischgewaagd)” dated July 7, 2008 and to the references, as applicable, to the undersigned’s name in the 40-F, the AIF and the MD&A.

Turnberry Projects (Pty) Ltd.

//signed//
Gordon I. Cunningham
Project Engineer
Date: Novermber 28, 2008

//signed//
Timothy V. Spindler
Mining Engineer
Date: November 28, 2008

CONSENT OF EXPERT

Reference is made to the Annual Report on Form 40-F (the "40-F") of Platinum Group Metals Ltd. (the "Company") for the fiscal year ended August 31, 2008 to be filed with the United States Securities and Exchange Commission pursuant to the United States Securities Exchange Act of 1934, as amended, and the Annual Information Form (the "AIF") and Management's Discussion and Analysis ("MD&A") of the Company for the year then ended, which are incorporated by reference therein.

Each of the undersigned hereby consents to the references to, and the information derived from, the report titled "Technical Report (Feasibility Study) Project 1 (Elandsfontein and Frischgewaagd)" dated July 7, 2008 and to the references, if any, to the undersigned's name in the 40-F, the AIF and the MD&A.

Wardrop Engineering Inc.

//signed//
Byron Stewart
Date: November 28, 2008

ANNUAL INFORMATION FORM OF PLATINUM GROUP METALS LTD. FOR YEAR ENDED: AUGUST 31, 2008

I, Kenneth Graham Lomberg, BSc Hons (Geology), BCom, GDE, a registered professional natural scientist with the South African Council for Natural Scientific Professionals (SACNASP) (Reg. No. 400038/01) hereby consent to the references to my name, as applicable, in the Annual Report on Form 40-F of Platinum Group Metals Ltd. (the "Company") for the fiscal year ended August 31, 2008 to be filied with the United States Securities and Exchange Commission pursuant to the United States Securities Exchange Act of 1934, as amended, and the Annual Information Form and Management's Discussion and Analysis of the Company for the year then ended, which are incorporated by reference therein.

Dated this at Johannesburg, South Africa this 28th day of November 2008.

//signed//
Kenneth Graham Lomberg
BSc Hons (Geology), BCom, GDE, Pr.Sc.Nat.
Coffey Mining (SA) Pty Ltd.